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# **HOW TO COMPETE WITH FOREIGN CLOTH**

**A Study of the Position of Hand-Spinning,  
Hand-Weaving, and Cotton Mills in the  
Economics of Cloth-production in India.**

By

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135, Canning Street, Calcutta.

## Foreword by Sir P. C. RAY

This monograph on the Position of Hand-spinning, Hand-weaving, and Cotton Mills in the Economics of Cloth Production in India is a very opportune publication, and I congratulate its painstaking author who is intimately connected with various Commercial Organisations for indicating in a very clear, lucid and convincing manner, the methods of combating the foreign cloth evil by producing the cloth required, from internal sources. The author has made a strong appeal to the hand-loom weavers to take increasingly to the use of hand-spun yarn, for the manufacture of their products, and to the mills for engaging themselves in the production of finer fabrics, in order to replace similar foreign goods, and to the people to put a restraint on their fastidiousness in taste, and to patronize *Khaddar*, i.e., hand-woven cloth made out of hand-spun yarn, even at a sacrifice of taste, convenience, and money, and where that is not possible to use cloth made by Indian mills.

The author has had the rare fortune of having the proofs of his book gone through by Mahatma Gandhi, and it will be considerable satisfaction to the public to know that the book has met with the general

approval of Mahatmaji. I am also glad to find that he has incorporated some suggestions made by Mahatmaji and thus made his book more useful and authoritative.

The author has rightly laid considerable stress on the importance of hand-spinning and hand-weaving and I entirely endorse his observation that a spinning wheel in every home and a group of hand-loom in every village should be the formula of the new dispensation in India. I also trust that the Nationalist Government will encourage hand-loom weaving in the manner which he has suggested and which has met with the approval of Mahatmaji *viz.*, that there should be a prohibitive tariff duty on imports of foreign cloth, and that the Indian mills should be precluded, by legislation if necessary, from engaging themselves in the production of certain kinds of cloth which will be the speciality of hand-loom. In *Swadeshi* lies the emancipation of the country and I fervently trust that none of my countrymen will use any *Bideshi* cloth in the future.

I must also invite the attention of the reader to the very interesting and up-to-date statistics compiled by the author and to Appendix No. I containing an estimate of the *per capita* expenditure on cloth, and to Appendix No. II giving in a very telling

manner, the landmarks of the policy of the British Government in regard to the Indian cotton industry, which has brought about its decline.

I have great pleasure in commending Mr. M. P. Gandhi's useful and ably written monograph, to the attention of the public and I hope it will meet with the appreciation it deserves.

P. C. RAY

University College of Science,  
Calcutta.

*The 6th February, 1931.*

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## AUTHOR'S PREFACE.

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Encouraged by the very favourable response and appreciation that my last monograph on "The Indian Cotton Textile Industry—its past, present and future" met with from the public and the press in India, in Great Britain and in other countries, I have ventured to publish this monograph on the "Position of Hand-spinning, Hand-weaving and the Cotton mills in the Economics of Cloth Production in India". I am placing it before the public at a time when the question of making India self-sufficient in respect of the supply of cloth required by her is engaging the serious attention of the public. The *Swadeshi* movement is one of the chief items in the present political movement for the attainment of *Swaraj* launched under the auspices of the Indian National Congress by Mahatma Gandhi, the greatest living person in the world.

I must acknowledge here my deep gratefulness to Mahatma Gandhi for having gone through the proofs of this book and for making several valuable suggestions, some of which I have been able to incorporate in this book. I must also mention here that the present attractive and appropriate title of the book "How to Compete with Foreign Cloth" was suggested by Mahatma Gandhi.

Almost all the information in the book is brought up-to-date, and is based on the latest books, publications, reports and other literature to which I had easy access in the excellent and well-equipped library of the Indian Chamber of Commerce, Calcutta. I must also express my thanks to my friend Mr. T. Maloney, Secretary of the Bombay Millowners' Association for supplying me with much useful information on the subject at all times.

My efforts will have been amply rewarded if the publication of this monograph at this juncture is successful in the appeal I have made to the people to extend their patronage to *Swadeshi* cloth in general and to *Khaddar*, i.e., hand-woven cloth made out of hand-spun yarn, in particular, with a view to provide a suitable supplementary occupation, *viz.*, spinning, to a large section of of the people, who have periods of enforced idleness extending to six months in a year. The provision of such a suitable supplementary occupation will increase the purchasing power of the masses and ensure them a better standard of living. Even apart from considerations of philanthropy, raising the standard of living of the masses is a business proposition in as much as it will bring about the prosperity of the various industries not only of this country but of the whole world.

I trust that those who have the welfare of the country at heart will co-operate in extending their

patronage to cloth made inside the country in order to substitute the foreign imports of cloth and yarn and thus to help in retaining inside the country the large sum of money which is exported at present for providing the people of India with clothing.

I need hardly observe that the views expressed in this monograph are my own and have no necessary connection with any of the Associations with which I am connected.

135, Canning Street,  
Calcutta.

*The 15th February 1931.*

M. P. GANDHI



# CONTENTS

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	PAGE
FOREWORD BY SIR P. C. RAY ... ..	I—III
PREFACE BY THE AUTHOR ... ..	V—VII
A SHORT LIST OF COMMON INDIAN WORDS ... ..	XI—XII
HOW TO COMPETE WITH FOREIGN CLOTH—a Study of the position of Hand-spinning, Hand-weaving and Cotton Mills in the Economics of Cloth Production in India ...	1—98
APPENDIX I. ... ..	99—110
APPENDIX II. ... ..	111—117
BIBLIOGRAPHY ... ..	119—120
INDEX ... ..	121—123

## TABLES.

### TABLE NO. 1.

Consumption of cloth and yarn in India from 1896-97 to 1930. ... ..	14—17
--	-------

### TABLE NO. 2.

Quantity of imports of foreign yarn, and of the pro- duction of yarn in Indian mills from 1913-14 to 1929-30 and also the quantity of imports of yarn from the United Kingdom and Japan since 1920-21	32
--	----

### TABLE NO. 3.

Imports and production of various counts of yarn from 1924-25 to 1929-30 as compared with the pre-war year 1913-14. ... ..	34—37
--	-------

## TABLE NO. 4.

Percentage shares of the United Kingdom, Japan and China in the imports of the quantity of cotton twist and yarn.      ...      ...      ...      ...	40
---	----

## TABLE NO. 5.

Output of fine yarn in millions of pounds. (Indian Mills)	47
---	----

## TABLE NO. 6.

Number of hand-looms in the different provinces of India.      ..      ...      ...      ...	61
--	----

## TABLE NO. 7.

Share of the principal countries in the total quantities of piecegoods imported.      ...      ...      ...	63
---	----

## TABLE NO. 8.

Quantity of nett imports of piecegoods from foreign countries showing the imports from the United Kingdom and Japan, since 1919-20.      ...      ...	64
---	----

## TABLE NO. 9.

Value of nett imports of cotton piecegoods, of cotton twist and yarn, and of raw and manufactured cotton since 1908-09 to 1929-30 and of the value of imports of cotton piecegoods, and of cotton twist and yarn from the United Kingdom and Japan, (in million Rupees)      ...      ...      ...      ...	68—69
---	-------

## TABLE NO. 10.

Estimate of <i>per capita</i> expenditure on cloth in India (1909-10—1925-26)      ...      ...      ...	106—109
--	---------

## A SHORT LIST OF COMMON INDIAN WORDS.

### Titles of Reverence and Respect.

WORD	MEANING
Mahatma or Mahatmaji ...	A title of Gandhi—meaning “Great Soul”

### Terms regarding Hand-spinning and Hand-weaving.

Charkha ...	... The spinning wheel.
Takli ...	... A small portable instrument for spinning. It can be manipulated with the thumb and the fore-finger and is so small that it can be carried in a pocket without inconvenience.
Muslin ...	... A cotton fabric of exquisite fineness of texture and light weight produced at Dacca in former times. Some idea of the fineness of the cloth may be gathered from the fact that a whole piece, 20 yards long by 1 yard wide, could be passed through the aperture of an ordinary sized finger ring— <i>Glossary of terms relating to hand-made cotton fabrics, published by the Department of Commercial Intelligence and Statistics, India—1930.</i>

### Political Terms.

Swadeshi ...	... Belonging to, or made in, one's own country.
Bideshi ...	... Belonging to, or made in, foreign countries.
Swaraj ...	... Self-Government.

**Indian Coinage.**

Anna	...	...	Very slightly more than one penny. $\frac{1}{16}$ of a rupee.
Rupee	...	...	About one shilling six pence.
Lakh	...	...	About seven thousand five hundred pounds sterling.
Crore	...	...	About seven hundred fifty thousand pounds sterling.

**Numerals.**

Lakh	...	...	One hundred thousand ; $\frac{1}{10}$ of a million.
Crore	...	...	10 millions.

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# HOW TO COMPETE WITH FOREIGN CLOTH

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## *A Study of the Position of Hand-spinning, Hand-weaving, and Cotton Mills in the Economics of Cloth Production in India.*

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**I**T is accepted by all historians that India is the birth-place of the cotton industry of the world (1). The Industry is at least over 3,000 years old in India, reference having being made to it in the Rig-Veda and other records written in ancient times (2).

India, birth-place of the cotton industry of the world.

2. Till only 200 years ago, India supplied cotton and cotton goods to her people at home and numerous customers abroad. Thus, it was India that for thousands of years clad not only herself in her celebrated cotton products, but also supplied the European nations of the time with her surplus produce. The manufacture of cotton goods was neglected in Europe until the 18th century and

India supplied cloth to Europe till the 18th Century.

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(1) Mr. J. A. Mann has observed in the Journal of the Royal Asiatic Society, Vol. XII, 1860, Page 347 : "India is, according to our knowledge, the accredited birth-place of the cotton manufactures."

The world undoubtedly owes a debt of gratitude to India for the pioneer work in the cultivation and manufacture of cotton. It was, as far as we can trace, the birth-place of that mighty industry which extends to-day to every civilized country—page 17 of "The Cotton Industry of India" by Mr. Arno S. Pearse.

(2) For a detailed account of the early history of the Indian Cotton Textile Industry, refer to the first chapter of the "Indian Cotton Textile Industry—its past, present and future" by the author,

India supplied a large part of the cloth required by the foreign countries till the beginning of the last century.

Excellence  
of Indian  
hand-spun  
and hand-  
woven goods.

3. The history of the manufacture of cotton in India, before the first half of the 19th century is the history exclusively of hand-spinning and hand-weaving. In spite of the fact that spinning and weaving were both done by hand and not by machinery, the Indian spinners and weavers had reached a very high degree of excellence in the delicacy of the fabrics manufactured by them. The incredibly simple methods of the Indian spinners and weavers stand no comparison to the elaborate mechanical device of moderns days. And yet, observed Baines in his "History of cotton manufactures", in 1835, "Indians have, in all ages, maintained an unapproached and almost incredible perfection in their fabrics of cotton—some of their muslins might be thought the work of fairies or insects rather than that of men." Taking into consideration the disadvantages of the primitive mode of manufacture of the simple and unlettered people who turned out the cloth with the aid of only a few crude tools in their small cottages, it is really a matter of great admiration that our ancestors should have arrived at such an exceedingly high state of proficiency in the delicacy of the fabrics manufactured by them. Muslins were

among the earliest articles of the Indian export trade and in spite of the great mechanical advancement made in the cotton industry, the muslins manufactured by the weavers at Dacca which were known by such names as "Running Water," "Evening Dew" and "Textile Breezes," still remain unsurpassed in fineness.

4. It will be evident from the brief reference made above that the Indian hand-loom industry occupied an important place in the world's cotton industry till so late as the beginning of the last century. It is also a matter of common knowledge that the hand-loom industry, far from being exterminated by the vast expansion of the power-loom industry, has continued to hold its own, in this country. It would be interesting and useful to trace in brief its vicissitudes during its long history, especially in recent years, and to examine its place in the cloth-production of India at the present time.

Unique position of hand-loom industry in the economics of cloth-production of the world up to the beginning of the last century.

5. The decline of the hand-loom industry in India followed to a certain extent, the introduction of machine-made goods during the eighteenth and nineteenth centuries, and more, the impediments placed in the way of its development by the systematic policy of the British Government to extend the sale and consumption of British manufactured goods in India by every possible way, *e.g.*, reduction or remission of import duties, imposition of

Decline of hand-loom industry and its causes (Also *vide* Appendix II).

inland duties on Indian manufactures in India, levy of prohibitive duties in England on exports of Indian goods, etc. (3). In this connection, it must be mentioned here that some of the methods employed by the foreign rulers of this country for destroying hand-weaving in India, do not reflect any credit on them. Some of these were very torturous, indeed. Take for example, the instance of the cutting of the thumbs of weavers, mentioned in "The Economic History of British India" by the late Mr. R. C. Dutt, as follows :—

"While the inland trade of Bengal was thus disorganised by the Company's servants and their agents in every important district, the methods by which they secured the manufactures to themselves were equally oppressive. These are fully described by William Bolts, an English merchant, who saw things with his own eyes."

Then follows a statement by William Bolts to the effect that weavers were compelled to weave cloth for the servants of the Company and their agents at oppressively low prices, which concludes :—

"And the winders of raw silk called Nagodas, have been treated with such injustice, that instances

---

(3) For a detailed reference about the systematic manner in which the decline of the Indian Cotton Industry was brought about, *vide* pages 45-51 of "Indian Cotton Textile Industry—its past, present and future" by the author.

Also *vide* Appendix No. 2.

have been known of their *cutting off their thumbs to prevent their being forced to wind silk.*" (Italics ours). 3A.

To put it in brief, in the words of the great historian H. H. Wilson,—

"It is a melancholy instance of the wrong done to India by the country on which she has become dependent. It was stated in evidence (before the Parliamentary Committee of 1808—1813) that the cotton and silk goods of India up to the period could be sold for a profit in the British Market at a price from 50 to 60 per cent. lower than those fabricated in England. It consequently became necessary to protect the latter by duties of 70 and 80 per cent. on their value or by positive prohibition. Had this not been the case, had not such prohibitive duties and decrees existed, the mills of Paisley and Manchester would have been stopped at their outest and could scarcely have been set in motion even by the power of the steam. *They were created by the sacrifice of Indian manufacture.* Had India been independent, she would have retaliated, would have imposed prohibitive duties on British goods and would thus have preserved her own productive industry from annihilation. *This act of self-defence was not permitted her, she was at the mercy of the stranger, British goods were forced on her without paying any duty, and the foreign manufacturer employed the arm of political injustice to keep*

---

(3A). This statement was quoted in his speech on the Cotton Textile Industry (Protection) Bill, 1930 in the Legislative Assembly on the 31st March 1930, by Sir Darcy Lindsay, Leader of the European Party.

*down and ultimately strangle a competitor with whom he could not have contended on equal terms."* (Italics ours).

Importance  
of hand-loom  
weaving  
upto 1909

6. Leaving past history with but a brief reference, we may now turn to the later years of the 19th century and examine the position of the Indian hand-loom weaving industry from this period up to the year 1909, till when it is known to have produced a larger quantity of cloth than the cotton mills in India. Since the last quarter of the 19th century, an erroneous impression appears to exist in the minds of the people that this industry which had a glorious past is of no importance to-day, that it is in a moribund state, and that its end is at best a question of time. Prof. C. N. Vakil appears to be dangerously near a similar error when he observes in his carefully compiled history of "Our Fiscal Policy" "It is well known that by this time (1882) this (hand-loom) industry had ceased to be of any importance." Although statistics of the cloth production of the country for 1882 are not available to indicate the extent of the production of the hand-loom industry, adequate information is available for the years after 1896. During the years 1896-97 to 1900-1901 the hand-looms consumed annually about 220 million lbs. of yarn, when the mills consumed only 90 million lbs. of yarn per annum. Thus, it will be seen that

the hand-loom consumed nearly  $2\frac{1}{2}$  times as much yarn as the mills consumed for the production of cloth. Between 1901 and 1905, the hand-loom consumed about double the quantity of yarn consumed by the mills. This statement should be an eye-opener to those who talk disparagingly of the hand-loom industry either from hearsay evidence or from prejudice.

7. In 1909, the hand-loom produced 1,116 million yards of cloth as compared with 824 million yards produced by the Indian Cotton Mills. Since then the production of cloth by the hand-loom has been smaller in varying degrees than that of the mills. It was after the year 1909 that the quantity of yarn consumed by the mills exceeded that of the hand-loom. After 1915-16 there was an actual decrease in the consumption of yarn by hand-loom, the average annual consumption between the years 1916-17 and 1920-21 being about 200 million lbs., when the average annual consumption by the mills went up to about 330 million lbs. But during the post-war period, the hand-loom industry has again recovered the lost ground. The average yarn consumption per annum by the hand-loom during the quinquennium 1920-21 to 1924-25 was about 300 million lbs. as compared with 270 million lbs. during the

Decline in  
production  
of hand  
woven goods  
after 1909.

quinquennium 1911-12 to 1915-16 and 220 million lbs. during the quinquennium 1916-17 to 1920-21.

Hand-loom weaving, the largest and most widespread industry in India.

8. In the years between 1924-25 and 1929-30 the statistics show that the hand-loom industry has made further progress and that the quantity of cloth produced on the hand-looms is on the increase. During the year 1929-30, the hand-looms consumed 351 million lbs. of mill yarn, and produced 1404 million yards of cloth, as compared with 2418 million yards of cloth produced by the mills. Even though the production of hand-looms is less than that of the mills, it must be admitted that next to agriculture, hand-weaving is still the largest and most widespread industry throughout the whole of India. In addition to those who are primarily agriculturists and who weave at certain times of the year when they are free (4) due to there being no work for them on the fields, there are, in India, at least 20 lakhs of persons who are employed

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(4) There are periods in the cultivators' year when all the members of the family are idle *e.g.*, when field-work is unnecessary or also when, due to frequently occurring famines, draughts, etc., agricultural operations are not possible. At such times there is much labour running to waste and there is ample scope for some form of secondary occupation. Besides, the initial outlay of a loom is small (say Rs. 20). Also see Mr. Tallents' and Edye's statement in the Census Report, Vol. I, 1921 pp. 270-272. Mr. Tallents at the end of his statement says 'Hand-weaving conducted on these lines would be as sound economically as it would be acceptable to the sentiments of the people.' He says that hand-weaving industry in Bihar and Orissa is holding its own. The work done by the average cultivators in the Punjab, says Mr. Calvert, does not represent more than 150 days' full labour for 12 months.

in weaving cloth on their hand-looms (5).  
(*Vide* the No. of looms in Table No. 6).

9. A note must be taken here of the fact that since 1919 the quantity of hand-spun yarn must have largely increased due to the exhortation by Mahatma Gandhi to the people to spin and weave for themselves in order to be independent of foreign countries for their requirements of cloth. Since 1919, the movement for encouraging *Swadeshi* cloth has been slowly spreading and hand-woven goods are receiving the patronage of the people. In fact, it has come to be recognised as the duty of every patriotically-minded Indian to spin yarn regularly on either the *Charkha* or the *Takli* for at least half an hour a day. Some indeed have taken to it more kindly and are regularly spinning for a longer time. It would indeed be difficult to estimate the number of people that have taken to hand-spinning voluntarily during recent years, but there is no doubt that millions have started doing so, especially since March 1930 when the Civil Disobedience movement was launched by Mahatma Gandhi, for obtaining *Swaraj* for India. This spirit of *Swadeshi* has also reclaimed many old hand-looms from idleness and pressed them into active

Impetus to  
hand-looms  
and hand-  
spinning  
since 1919.

---

(5) The Indian Cotton Mills which were 344 in number in 1930 having 88 lakhs spindles and 1 lakh and 74 thousand looms, provided employment for only 3½ lakhs of mill-hands. The quantity of cotton consumed by them during 1929-30 was 28 lakhs bales (400 lbs. each.)

use, and has led to the establishment of new hand-looms.

No statistics  
available  
about hand-  
spun yarn  
used by  
hand-looms.

10. It is regrettable that no statistics of the quantity of hand-spun yarn produced in the country are available, and it is difficult therefore to assess accurately the undoubtedly considerable importance of the domestic spinning industry. Perhaps a rough estimate of the quantity of hand-spun yarn could be formed from the quantity of Indian cotton remaining inside the country after deducting the exports and the mill-consumption. But the difficulty in doing this has been that there is no agreement regarding the percentage of cotton used up annually for making beddings, pillows, quilts, *guddies*, cotton-filled garments, etc. The estimates have been varying between 20 to 50 per cent. This is therefore practically guess-work and I have not thought it proper to give it a place in this scientific treatise. The estimate of the Indian Central Cotton Committee of the extra-factory or local consumption being  $7\frac{1}{2}$  lakhs of bales is also unreliable and I have found it unacceptable for adoption here. There is no doubt that the actual quantity of cloth produced by the hand-looms from hand-spun yarn must have been increasing. In Table No. 1 we have assumed that 10 per cent. of the quantity of mill-spun and imported yarn must have been hand-spun yarn available to hand-looms, for all the years from 1896-97 to

Varying  
estimates  
inadmissible  
in a scientific  
treatise.

1929-30. For obvious reasons, this cannot be correct. For the years after 1920-21, we will have to allow for a larger percentage but I have not ventured to do so, lest it may be considered guess-work by others, and may detract from the value of this work. It is estimated by some that there are about 50 lakhs of spinning wheels (*Charkhas*) intermittently working in India and yielding about 48 lbs. of yarn per spindle per year (6). The estimate of the yield of 48 lbs. of yarn appears to be grossly exaggerated. It would be interesting if statistics were compiled during the 1931 Census about the extent to which hand-spinning is prevailing in the country as a supplementary occupation of the people. An endeavour should also be made by official agency to compile figures of the quantity of yarn spun by hand in order to enable the public to arrive at a correct idea of the quantity of cloth produced from such yarn by the hand-looms. In the absence of these, it would be very difficult to determine with any degree of exactitude, the quantity of cloth produced and consumed in India.

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(6) *Vide* "Cotton Industry of India" by Mr. Arno S. Pearse, General Secretary, International Federation of Master Cotton Spinners' and Manufacturers' Association, London, (page 25). 5 crores mentioned in this book is a mistake. It ought to be 50 lakhs. This was the estimate made in 1925-26. Since then, the number of *Charkhas* has largely increased, not only in the villages, but also in cities, where the urban population is plying on it, in obedience to the call of Mahatma Gandhi, for self-spinning, for at least half an hour daily.

Statistics of  
Imports of  
foreign  
piecegoods,  
mill pro-  
duction,  
hand-loom  
production  
and *per*  
*capita* con-  
sumption  
of cloth.

*Per capita*  
expenditure  
of cloth  
estimated in  
Appendix I.

11. Out of the total consumption of cloth in India which is roughly 5000 million yards, (taking the average of 5 years from 1924-25 to 1929-30) nearly 25 per cent. is still supplied by hand-loom, 40 per cent. by the mills and 35 per cent. by the foreign countries. The following tables give the figures of the nett imports of foreign piecegoods, of the production of piecegoods by the mills, and the hand-loom, as well as the nett consumption of Indian piecegoods both mill-made, and hand-woven, in India for a period of 34 years, from the year 1896-97 to 1929-30 (7). The table also gives the figures of the consumption of yarn by the mills, the consumption of mill-made and imported yarn by the hand-loom and the *per capita* consumption of cloth in the country for all these years. The figures of stock carried over from year to year have not been taken account of. But these figures will not materially affect the general conclusions over series of years.

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(7) The total imports of foreign piecegoods during the nine months ended 31st December 1930, was 713 million yards, as compared with 1379 million yards during nine months ended December 1929. These figures illustrate the success of the boycott movement.

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**TABLE No. 1.**

*Consumption of cloth and yarn in India  
from 1896-97 to 1930.*

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Statistics of imports of piecegoods in the  
cotton mills and hand-looms, nett  
annual consumption of Indian  
piecegoods, *per capita*  
consumption of  
cloth, etc.

---

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TABLE

*Consumption of cloth and yarn in India*

YEAR.	Foreign piece-goods. (Imports minus re-exports). Nett consumption in India. (Million yards).	PRODUCTION OF PIECE-GOODS IN INDIA.		Total production of Indian piecegoods. Addition of columns 3 and 4. (Million yards).	Exports of Indian piece-goods. (Million yards).
		Mill production. (1) (Million yards).	Hand-loom production (Million yards).		
1	2	3	4	5	6
1896-97 ...	1,932	354	784	1,138	107
1897-98 ...	1,800	389	924	1,313	97
1898-99 ...	2,000	436	948	1,384	90
1899-1900 ...	2,053	419	884	1,303	112
1900-01 ...	1,875	422	692	1,114	111
1901-02 ...	2,042	511	880	1,391	120
1902-03 ...	1,986	524	960	1,484	109
1903-04 ...	1,903	589	872	1,461	125
1904-05 ...	2,152	678	828	1,506	135
1905-06 ...	2,335	700	1,084	1,784	129
1906-07 ...	2,193	708	1,148	1,856	115
1907-08 ...	2,401	808	1,108	1,916	112
1908-09 ...	1,870	824	1,116	1,940	113
1909-10 ...	2,070	964	896	1,860	126
1910-11 ...	2,162	1,043	908	1,951	134
1911-12 ...	2,262	1,136	1,044	2,180	118
1912-13 ...	2,847	1,220	1,040	2,260	125
1913-14 ...	3,042	1,164	1,068	2,232	130
1914-15 ...	2,327	1,136	1,184	2,320	110
1915-16 ...	2,019	1,442	1,048	2,490	161
1916-17 ...	1,771	1,578	816	2,394	309
1917-18 ...	1,405	1,614	812	2,426	234
1918-19 ...	955	1,451	1,048	2,499	187
1919-20 ...	836	1,640	564	2,204	239
1920-21 ...	1,405	1,581	1,148	2,729	170
1921-22 ...	980	1,732	1,190	2,922	187
1922-23 ...	1,467	1,725	1,341	3,066	186
1923-24 ...	1,374	1,702	1,005	2,707	201

(1) Figures of yardage of coloured piecegoods were not available prior to

(2) For figures of *per capita* expenditure on cloth, *vide* Appendix I.

No. 1

*from the year 1896-97 to the year 1930.*

Balance of Indian piece- goods avail- able for con- sumption in India. Column 5—6. (Million yards).	Total con- sumption of foreign and Indian piece- goods in India. Add columns 2 and 7. (Million yards).	Mill con- sumption of yarn. assuming (100 lbs. of yarn = 112 lbs. of cloth). (Million lbs.).	Balance of yarn available for hand-loom consumption. (Mill-spun and foreign im- ported yarn). (Million lbs.).	Population.  (Millions).	Consump- tion of piecegoods per Capita.  (Yards). (2)
7	8	9	10	11	12
1,031	2,963	74	196	292	10·14
1,216	3,016	81	231	292	10·32
1,294	3,294	91	237	292	11·28
1,191	3,244	87	220	292	11·10
1,003	2,878	88	173	294	9·80
1,271	3,313	107	220	295	11·23
1,375	3,361	110	239	297	11·31
1,336	3,239	123	219	299	10·83
1,371	3,523	142	205	301	11·70
1,655	3,990	146	271	302	13·21
1,741	3,934	148	287	305	12·89
1,804	4,205	169	277	307	13·69
1,827	3,697	171	280	309	11·96
1,734	3,804	204	225	311	12·23
1,817	3,979	220	226	313	12·71
2,062	4,324	238	261	315	13·72
2,135	4,982	254	260	315	15·81
2,102	5,146	245	267	316	16·28
2,210	4,537	247	296	316	14·35
2,329	4,348	314	272	317	13·37
2,085	3,856	322	204	317	12·16
2,192	3,597	340	204	317	11·34
2,312	3,267	312	262	318	10·27
1,965	2,801	343	140	318	8·80
2,559	3,964	328	287	319	12·42
2,735	3,715	361	299	319	11·64
2,880	4,347	362	333	319	13·62
2,506	3,880	359	252	320	12·12

1906-07.

(continued)

TABLE

*Consumption of cloth and yarn in India*

YEAR.	Foreign piece-goods. (Imports minus re-exports). Net consumption in India. (Million yards).	PRODUCTION OF PIECE-GOODS IN INDIA.		Total production of Indian piecegoods. Addition of columns 3 and 4. (Million yards).	Exports of Indian piece-goods. (Million yards).
		Mill production. (Million yards).	Hand-loom production (Million yards).		
1	2	3	4	5	6
1924-25(3) ...	1,710	1,970	1,256	3,226	230
1925-26 ...	1,529	1,954(4)	1,160	3,114	164(5)
1926-27 ...	1,758	2,258	1,296	3,554	197
1927-28 ...	1,940	2,356	1,292	3,648	169
1928-29(6) ...	1,912	1,893	1,116	3,009	149
1929-30 ...	1,897	2,418	1,404	3,822	133
1930-April to September.	579	1,232	...	...	49

(3) During the years 1924-25 to 1925-26 all the mills in the City and Island of

(4) Previous to 1st April 1926, the actual production figures of cloth were not duty had become payable.

(5) Figures for exports and re-exports by sea only, are available for the

(6) During the year 1928 all the mills in the City and Island of Bombay were

*N. B.*—The figure of the total products of hand-looms in yards has been arrived of these years, by four, on the assumption that 4 yds. of cloth are produced per industry is not all consumed by the hand-looms. A small proportion is used in available to the hand-looms. But no allowance has been made for this in estimating always available to the hand-looms hand-spun yarn or yarn spun on the Charkha Since 1929-30, however, the quantity of hand-spun yarn must have considerably the populace. No statistics of the yarn supplied by the spinning wheels is available taken of large quantities of artificial silk and mercerized yarn imported into India

All the figures after the year 1925-1926 have been compiled by me from various

The above table has been compiled largely from the figures given in the Report of Mr. R. D. Bell on the Cotton Textile Industry with special reference to hand-consumption of yarn and the hand-loom consumption of yarn during the year figures of the balance of Indian piecegoods available for consumption, and the *capita* consumption of piecegoods, during the year 1924-25 has also been rectified.

This table also rectifies the mistake that appeared on page 84 of my book figures of the consumption of Indian piecegoods and the total consumption of cloth

# No. 1.

*from the year 1896-97 to the year 1930—contd.*

Balance of Indian piece-goods available for consumption in India. Column 5—6. (Million yards).	Total consumption of foreign and Indian piece-goods in India. Add. column 2 and 7. (Million yards).	Mill consumption of yarn assuming 100 lbs. of yarn = 112 lbs. of cloth. (Million lbs.)	Balance of yarn available for hand-loom consumption. (Mill-spun and foreign imported yarn). (Million lbs.).	Population. (Million).	Consumption of piecegoods per Capita. (Yards).
7	8	9	10	11	12
2,996	4,706	410	314	320	14.70
2,950	4,479	415	290	320	13.99
3,357	5,115	481	324	320	15.98
3,480	5,420	507	323	320	16.93
2,860	4,772	384	279	320	14.91
3,689	5,586	501	351	320	17.45

Bombay were closed for about 2 months and 2½ months respectively.

recorded, the figures given in the table relate to the quantities on which excise

year 1925-26.

closed for about 6 months, and during the year 1929 for about 4½ months.

at by multiplying the quantity of yarn available for the hand-loom industry for each 1 lb. of yarn. The balance of yarn available for consumption in the hand-loom making rope, twine etc. This has been estimated at about 10% of the total yarn the production of the hand-looms on the assumption that there must have been which has been estimated at about 10% of the total supply, up to year 1929-30. increased due to the revival of the use of the spinning-wheel by a large section of but it is undoubted that the quantity must be large. Account has also not been during the recent years.

authoritative official sources.

the Indian Tariff Board (Cotton Textile Industry Enquiry) 1927, and the notes of weaving. The mistake that appears in the Tariff Board's figures about the mill 1916-17, has been rectified in the above table. The mistake in the Report about the balance of foreign and Indian piecegoods available for consumption, and the *per*

on "Indian Cotton Textile Industry"—its past, present and future" in regard to the in India for the year 1923-24.

Importance  
of hand-  
looms even  
at the present  
time—  
supplying  
25% of the  
cloth  
required.

12. It would be quite evident from the table given above that the hand-loom industry has not only not gone out of existence as is erroneously presumed by many due to ignorance or prejudice or want of enquiry, but that it supplies nearly 25 per cent. (roughly 1200 million yards of cloth) of the total annual consumption of cloth in this country and that it is responsible for about *40 per cent. of the total cloth produced in India*. (The total Indian production may be put roughly at about 3800 million yards.) Since March 1930, the production of cloth on the mills and the hand-looms is on the increase, and as a result of the movement for the boycott of foreign cloth, imports of foreign cloth are greatly diminishing.

The future  
of Hand-  
weaving  
and Hand-  
spinning.

13. The above statistics make it quite clear that the belief that the hand-loom weaving industry is a small moribund industry inevitably doomed to be entirely crushed by the power-looms, is absolutely erroneous and has no foundation in fact. The industry has steadily maintained its position. It has had lately an access of strength in the shape of the *khaddar* movement sponsored by so powerful a personality as Mahatma Gandhi who lays great stress on the use of the *Charkha* and the hand-looms for producing the cloth required in the country, with a view to provide work for the teeming millions of the people of this land during the periods when they have nothing to engage them-

selves on, and thus to augment their income and purchasing power which in turn would ensure for them a better standard of living. Add to this the intrinsic advantages which the hand-loom enjoy over the power-loom, and the theory of the inevitable decline of the hand-loom would be proved to be utterly untenable. There is no doubt therefore that the hand-loom weaving industry and the hand-spinning industry will add considerably to their importance and position in the national economy of India in spite of the mechanised production of the power-loom.

14. We may now consider, in brief, the advantages which the hand-loom industry has over the power-loom : Smallness of capital for outlay, (the price of a hand-loom may be put roughly at about Rs. 20/- whereas a power-loom will cost about Rs. 900/-), cheapness of labour in the villages, its suitability to village life, proximity of market, ability to satisfy the demands in rural areas due to intimate acquaintance with the tastes and requirements of the people, facility of working in one's cottage and for one's self, the convenience of taking up and leaving off the work at any time, the help from the members of the family, the absence of manifold discomforts of working in mills under factory conditions, of being exposed to risks, accidents, vices etc. and to other evils of industrialism, healthier and better surroundings at home, the absence

Advantage of  
hand-loom  
over power-  
loom.

Spinning  
wheels and  
hand-loom  
can compete  
with steam-  
power—  
Sir Daniel's  
opinion.

of the disintegrating influence of family life, the patronage of higher and well-to-do classes of people for fancy hand-made articles in which the individual artists' skill can be shown, the possibility of preparing small quantities of cloth with variegated designs and new patterns unlike the power-loom which cannot do so profitably unless there is a large demand, its suitability of weaving cloth from hand-spun yarn, spun by cultivators or by persons pledged to putting on *Swadeshi* cloth, the assured standing demand for their products by people who have resolved to purchase only *Swadeshi* cloth, etc. etc. These various advantages enumerated above have been duly recognised even by western observers. Sir Daniel Hamilton stated —“ I may say from my personal experience of Indian rural life that given a fair chance with the help of modern finance, not only the spinning wheel but the hand-loom can compete successfully with steam-power, the *reason being that four months' labour which is now largely wasted in the agricultural off-seasons costs nothing. No grain or cloth can be cheaper than that which costs only the price of the raw materials.*”(8)

Sir Alfred Chatterton has also made the following observation in his “Industrial Evolution in India”, on page 105 :—

“That the Indian hand-loom weaver though hard-pressed still survives the competition of the

(8) *Vide Young India*, 8th March 1922.

power-loom indicates a surprising degree of teracity on the part of the people of the country (India) to maintain their primitive methods and hereditary occupations in the face of militant western commercialism."

15. It is interesting to observe here that the hand-loom weavers are even to-day capable of producing goods of remarkable fineness and feel ; and that they are also able to turn into cloth (unlike the power-loom) the coarse and irregular yarn spun by inexperienced people on the *Charkha* or the *Takli*. But hand-woven cloth should not, as far as possible, try to compete with mill-made cloth. Sir George Watts also pointed out:—

Safety of hand-loom weaver lies in production of goods not produced in mills.

"The safety of the hand-loom weaver lies in the goods of his manufacture being of a fancy or special nature meeting local markets known to him rather than in regular commercial articles intended for large markets."

The hand-loom weaver therefore ought to endeavour as far as possible to produce goods which cannot be made by the power-loom, as for example, those compounded in an intricate fashion or made in very complicated patterns, variegated designs, or those having an irregular and unstable demand, *e.g.*, special Saris and Loongies of particular size, shape, colour, etc. so that the mill-owner will not think it worth his while to enter into competition with him.

No direct competition between hand-loom and mills : mill-owners in favour of its development.

16. In regard to the supposed competition of the hand-loom with the mills, I must point out here that we have it on the testimony of the Bombay Mill-owners' Association that the products of power-loom do not compete with the products of hand-loom. It is further re-assuring to be told by the Bombay Mill-owners' Association that far from the mill-owners of India being antagonistic to the development of the hand-loom industry, they are unre-servedly in favour of its encouragement and improvement, providing as it does, now that the Chinese market for the export of their yarn has been lost, practically the only market left to them in which they can dispose of the surplus yarn spun by them and not required for the manufacture of fabrics in their power-loom. The written statement of the Bombay Mill-owners' Association before the Fiscal Commission also shows their sympathetic attitude towards the hand-loom industry. They observed:—

Properly organised hand-loom can compete with power-loom in certain styles.

“The Committee are strongly in favour of the maintenance of the Cotton Hand-loom Industry. The industry in question enables the agricultural population of India to supplement their resources, and properly organised, hand-loom can be made to compete profitably with the product of the power-loom in certain styles of cloth.”

The mill-owners further aver that it would be suicidal on their part to identify them-

selves with a policy which would be likely to harm or hamper in any way the progress of an industry which purchases from them annually about 300 million lbs. of yarn, and which is likely, in future years, to purchase from them more and more of their yarn, in order to cope with the increasing popular demand of their products, and in order to substitute the foreign yarn (which they are using of late, with a view to produce finer and finer cloth) by Indian yarn, in accordance with the popular sentiment for using Indian mill-made or hand-spun yarn. On the direct question as to whether there is any competition between the mill products and the hand-loom products, the view of Mr. R. D. Bell, ex-Director of Industries, Bombay, will also be read with approbation and interest:—

“The mill industry and the hand-loom industry are not really antagonistic to one another. A great part of the output of the hand-loom is composed of specialised types of cloth which are not suitable as regards quantity or quality, for mass production.”

“The amount of direct competition between the mills and the hand-looms is at present very restricted. The hand-looms provide an enormous market for mill-spun yarns. Probably the greatest improvement in the hand-loom industry has been the provision of ample quantities of mill-spun yarn of all counts and of regular twist and strength in substitution for the irregular and usually coarse hand-spun yarns of former days.”

Dr. Radha Kamal Mookerjee has also observed in his "Foundations of Indian Economics" that the notion of competition between power-looms and hand-looms is wrong :

"The hand-loom does not compete with the mill, it supplements it in the following ways :—(1) It produces special kinds of goods which cannot be woven in the mills. (2) *It utilises yarn which cannot at present be used on the power-loom.* (3) It will consume the surplus stock of Indian spinning mills which need not be sent out of the country. (4) Being mainly a village industry, it supplies the local demand and at the same time gives employment to capitalists, weavers and other workmen. (5) Lastly, it will supply the long-felt want of an honest field for work and livelihood for educated Indians."

Hand-loom cloth : Not necessarily dearer than machine-made cloth.

17. In an age in which mechanical inventions are the prime factor in economic progress, it is difficult to realise that in certain lines, hand-made goods are unsurpassed in excellence by the products of modern machinery. Apart from all questions of design, quality and variety, there is admittedly something in the very "feel" of hand-woven cloth, which makes an appeal to the public in all countries. The Indian hand-loom industry has always demonstrated this superiority over power-looms but popular recognition has been slow and difficult as the poverty of the average Indian compels him to make the smallness of

initial cost the paramount consideration of all his purchases. The decline of the hand-loom industry is also due to the fact that the machine-made goods have a semblance of cheapness and the public are thereby irresistibly inclined to them. The hand-loom products are not necessarily and usually more expensive than machine-made goods, especially if their lasting qualities, etc., are considered, in spite of the cheapness claimed by the latter due to large scale production and use of machinery.

Smallness  
of initial  
cost chief  
consideration  
of purchase.

18. Mr. V. A. Talcherkar, Textile Expert, Holkar State, has stated in his book on the "Charkha Yarn" that if the whole preparatory process from ginning cotton to weaving cloth is done by hand, the material turned out is simply unsurpassable in texture, strength and durability, and these qualities in hand-made cloth are everlasting. He has also quoted the scientific explanation of Mr. Erasmus Wilson for yarn manufactured by machines being weaker than yarn spun by hand which is stronger. Mr. Talcherkar has expressed the opinion that the hand-spun thread is more even and stronger than machine-made thread, due to the most wonderful action performed by Indian spinners with their thumbs and fore-fingers and the rotary action given to yarn by spindles, etc. Hand-spun yarn is further turned out, as a general rule, from the same sort and variety

Various  
qualities of  
hand-woven  
cloth.

Claim about  
superiority  
of hand-spun  
yarn  
controverted  
by several  
authorities.

of cotton and it is superior to machine-made yarn which is turned out from different varieties of cotton which are mixed together by the mills, as the profit or loss of a mill always depends upon this mixing of cotton of different qualities and prices. This opinion of Mr. Talcherkar as regards the strength and texture of hand-spun yarn being generally better than machine-spun yarn is controverted by several authorities, including mill-owners not antagonistic to the hand-loom industry and weaving experts. While it must have been true largely in the past when the spinners took exceptional care in all the preliminary processes for turning out fine and well-twisted yarn from which the celebrated Indian cloth was woven, the claim of superiority of the Indian hand-spun yarn as compared with machine-spun yarn cannot be readily accepted at the present time. In spite of his partiality for hand-spinning, Mahatma Gandhi holds this opinion and observes that this contention of Mr. Talcherkar is not proved by experience. (9) In spite of the fact that the hand-spun yarn is not being subjected to the severe strains imposed on cotton by the machines and the individual fibres going into the hand-spun

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(9) Communicated in a letter to the author. Mahatma Gandhi has also added : "But what does it matter ? There need not be any comparison between the two. The machine-made biscuit, in spite of its being more round, smooth and attractive than hand-made bread, will always be considered unacceptable when compared to the hand-made bread."

yarn are stronger and more elastic than those of mill-spun yarn, and in spite of the fact that a greater pliability and elasticity is left in the hand-spun yarn owing to the gentler preparatory processes, there is no doubt that the hand-spun yarn that we generally meet with is not very well twisted and not very regular. Although, therefore, it is possible to turn out superior yarn on the *Charkha* by a combination of particular circumstances, our experience is that the spinners to-day do not yet evince great care for producing superior yarn, and it must be admitted that the yarn turned out by the new recruits and by others who are not well accustomed to spinning, is weaker. It has been suggested in a subsequent paragraph that as the spinners perform themselves all the preliminary processes of ginning, carding etc., and as they understand the importance of stocking good cotton for their use, the quality of hand-spun yarn will show a decided improvement. The inferior quality of hand-spun yarn at the present moment is largely due to the fact that only indifferent cotton is obtained by the spinner for spinning yarn, the cream of the harvest of the cotton having been taken away by the mills in India, or exported to other countries. There is no doubt that before long the hand-spinning agriculturist who has begun to understand his interests better will commence stocking his own cotton. Another noticeable

Present  
inferior  
quality of  
hand-spun  
yarn due to  
bad cotton.

Craze for  
high counts  
of yarn.

defect is the craze for high counts of yarn. While there is no doubt that the gentle handling of the fibres by the spinner makes it possible to get a higher count from comparatively short-stapled cotton which can be used in the mills only for coarse spinning, the tendency of drawing counts higher than a particular variety of cotton can bear by stretching it, is responsible for making the yarn flimsy and unweavable.

Leaving alone this disputed superiority of hand-spun yarn of the present times, no one will deny that it will be possible, with special care on the part of the spinner, to turn out hand-spun yarn stronger than machine-made and as the spinner realises his interest better, he is sure to endeavour to approach a state of proficiency in it, like his ancestors.

Qualities of  
hand-woven  
cloth found  
to exist by  
weavers of  
such cloth.

There are several other qualities of hand-woven cloth which have been found to exist by their users from actual experience and about which there need be no controversy.

I might, *inter alia*, mention here the following :—(1) The hand-woven cloth is softer and more comfortable in wear due to the soft-spun yarn. (2) It is cooling in summer and warmth-giving in winter. (3) It is more elastic and more absorbent of perspiration. (4) It leads to economy in the quantity of cloth used. (5) It is easily washable at home, not requiring starch etc. (6) It can resist better, the washing in India.

Testimony has been paid to the durability and the lasting quality of hand-loom products by Mr. Arno S. Pearse in his book on the "Cotton Industry of India", when he says, that "the cloth woven on hand-looms has the advantage of resisting (better) the primitive method of washing in India,—in short, the wearing qualities of the home-spun and woven cloth are recognised by the people and the agitation for a more general use of this kind of cloth called '*Khaddar*' has certainly spread."

It is now demonstrated that the qualities of *Khaddar* enumerated by Mahatma Gandhi are not due to any bias, but are based on actual facts, and are confirmed from experience of the wearers of such cloth.

19. Having established that the hand-loom industry does not compete with the mill industry, and that the hand-woven cloth has more lasting qualities than machine-made cloth, we will now review the attempts made in the direction of making improvements in the hand-looms and consider the various effects which the present movement of *Swa-deshi* may have on them, and the changes in their organisation, methods, etc., that it may necessitate, for maintaining and strengthening their position in the economics of cloth production in this country. We will turn firstly to fly-shuttle looms.

Review of attempts made for making improvements in hand-weaving.

20. Fly-shuttle looms are recognised to be from 50 to 100 per cent. more effective than

Introduction  
of fly-shuttle  
looms  
would  
increase  
efficiency.

ordinary hand-looms. But our weavers have been averse in the past to taking kindly to the fly-shuttle looms for reasons of higher price and shyness of handling newer types. That only coarse yarn which will not snap readily can be used for the warp on the fly-shuttle loom is an old-exploded belief, and Mr. Chatterton says that fine counts can be warped easily. The bulk of the yarn used in the Salem factory is between 60 and 100 counts, and warp in even higher counts can be done. Mr. Chatterton says :—

“If the fly-shuttle hand-loom is to be largely used in making the finer classes of native goods, the improvement that should be sought for is not so much in increasing the rate of picking, which is already quite fast enough, but in improving the details of holding and the working of the slay, so that the operation of weaving subjects the comparative delicate threads to the minimum of strain.”

Mr. Chatterton found that the daily average out-turn of hand-looms has only in one instance exceeded 30 picks per minute, and in weaving fine cloth 20 to 25 picks per minute may be considered very good work. Mr. Churchill of Ahmednagar was able to make 60 picks a minute at Ahmednagar, and this is an extraordinarily good result.

There has also been an increased production of between 25 to 40 per cent. as a result of the introduction of improved fly-shuttle looms.(10) The fly-shuttle looms have come to be largely

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(10) Industrial Evolution in India—Alfred Chatterton, p. 288.

used in the Tamil disiricts. In the Hyderabad district, the number of fly-shuttle looms is 84,392 while there are only 31,042 other looms. Nearly two-thirds of the hand-loom in Bengal are with fly-shuttle. Increased use of fly-shuttle looms is visible in almost all provinces and this is a proof of the fact that their efficiency is being recognised of late and appreciated by the weavers. If the fly-shuttle hand-loom and its accessories were made available at a little lower price, and if they were kept within easy reach of the weavers, I believe it will come into more general use.

21. Imported yarn is used by the hand-loom as well as the mills for turning out fine cloth. There is no doubt, however, that the use of foreign yarn will have to be abandoned in future for the cloth produced for consumption inside the country, due to the prevailing sentiment for the use of *Swadeshi* yarn. The quantity of yarn imported from foreign countries from the pre-war year (1913-14) upto 1929-30, and manufacture in the Indian Mills, is given in the following table, from which it will be seen that the quantity of imported yarn is on the decrease, whereas the production of yarn in the Indian mills is on the increase, and that the imports for 1929-30 were almost equal to those of the pre-war year (1913-14). The share of the United Kingdom and Japan in the supply of yarn to India is also indicated in the table.

Use of  
Imported  
yarn.

Necessity  
of its  
abandonment  
by mills and  
hand-loom.

TABLE No. 2.

*Quantity of imports of foreign yarn, and of production of yarn in Indian mills from 1913-14 to 1929-30, and also the quantity of imports of yarn from the United Kingdom and Japan since 1920-21.*

Year,		Total Imports.	Imports from U. K.	Imports from Japan.	Indian mill-production.
		(million lbs.)	(million lbs.)	(million lbs.)	(million lbs.)
1913-14 (Pre-war)	...	44	...	...	682
1914-15	...	42	...	...	651
1915-16	...	40	...	...	722
1916-17	...	29	...	...	681
1917-18	...	19	...	...	660
1918-19	...	38	...	...	615
1919-20	...	15	...	...	635
1920-21	...	47	23	20	660
1921-22	...	57	40	16	693
1922-23	...	59	31	26	705
1923-24	...	44	21	20	617
1924-25	...	55	20	32	719
1925-26	...	51	16	33	686
1926-27	...	49	20	26	807
1927-28	...	52	20	17	808
1928-29	...	43	23	7	648
1929-30	...	43	20	10	833
1930 (April to September)		15	6	4	372

22. The following table gives the imports and the production of yarn under the various counts for the last *six years*, as compared with 1913-14.

Imports and production of yarn by counts.

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**TABLE No. 3.**

*Imports and production of various counts  
of yarn from 1924-25 to 1929-30 as  
compared with the pre-war year.*

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TABLE

*Imports and production of various counts of yarn, from*

	1913-14 (pre war).	
	Imports.	Production.
	lbs. (1000).	lbs. (1000).
Cotton twist and yarn—		
Nos. 1 to 20 ...	1,254	492,693
„ 21 to 25 ...	896	123,995
„ 26 to 30 ...	3,686	42,999
„ 31 to 40 ...	23,657	19,712
Above No. 40 ...	7,859	2,699
Two-folds (doubles) ...	...	...
Unspecified descriptions and waste ...	6,819	679
TOTAL ...	44,171	682,777

(a) Excludes the figures of white and mercerized two-folds (doubles)

(b) White twist and yarn shown separately by counts from April included under the head "unspecified descriptions".

No. 8.

*1924-25 to 1929-30, and for the pre-war year, 1913-14.*

1924-25.		1925-26.	
Imports.	Production.	Imports.	Production.
lbs. (1000).	lbs. (1000).	lbs. (1000).	lbs. (1000).
7,170	469,810	4,772	444,748
477	154,672	543	142,759
934	69,140	575	71,029
21,687	19,368	26,294	19,738
7,659	5,822	6,685	5,834
5,833 (a)	...	6,195 (a)	...
6,147 (b)	578	6,624 (b)	2,319
55,907	719,390	51,688	686,427

which are separately recorded only from April, 1927.

1927 is included under respective groups as shown above. Formerly

TABLE

*Imports and production of various counts of yarn, from*

	1926-27.	
	Imports.	Production.
	lbs. (1000).	lbs. (1000).
Cotton twist and yarn—		
Nos. 1 to 20 ...	1,068	515,681
„ 21 to 25 ...	483	168,345
„ 26 to 30 ...	470	79,966
„ 31 to 40 ...	24,405	27,657
Above No. 40 ...	7,562	11,531
Two-folds (doubles) ...	7,146 (a)	...
Unspecified descriptions and waste ...	8,291 (b)	3,936
TOTAL ...	49,425	807,116

(a) Excludes the figures of white and mercerized two-folds (doubles)

(b) White twist and yarn shown separately by counts from April, included under the head "unspecified descriptions".

(c) During the period of seven months from April to October, lbs. as compared with 453 million lbs. for a similar period in 1929, and 22 million lbs. for a similar period in 1929.

No. 3—*contd.*

1924-25 to 1929-30, and for the pre-war year, 1913-14.

1927-28.		1928-29.		1929-30. (c)	
Imports.	Production.	Imports.	Production.	Imports.	Production.
lbs. (1000).	lbs. (1000).	lbs. (1000).	lbs. (1000).	lbs. (1000).	lbs. (1000).
2,465	494,800	1,098	382,024	1,047	493,388
416	182,235	548	140,175	290	181,261
439	80,836	223	72,838	395	90,542
27,305	33,757	19,937	37,488	20,050	46,363
8,040	11,142	9,331	10,029	9,013	15,278
13,633	...	12,604	...	13,053	...
47	6,170	25	5,729	34	6,710
52,345	808,940	43,766	648,283	43,882	833,542

which are separately recorded only from April, 1927.

1927 is included under respective groups as shown above. Formerly

1930, the quantity of the production of yarn in India was 495 million the quantity of imported yarn was 18 million lbs. as compared with

Percentage  
of use of  
foreign yarn  
by hand-  
looms.

23. It will be seen from the above table that the quantity of yarn from 26's to 30's and above 40's produced in Indian mills shows large increase. The quantity of yarn of counts between 31's to 40's and above 40's imported during each of the years 1928-29 and 1929-30 amounted to 20 million lbs. and 9 million lbs. respectively. (11) The quantity of the imports of yarn of these counts is yet considerable, while the imports of coarser counts of yarn have been discouraged by the specific duty of  $1\frac{1}{2}$  anna per lb. imposed under the Cotton Yarn Amendment Act, 1927. It is difficult to say what percentage of the total imported yarn is used by the hand-looms, but I understand that except in the case of doubled yarn, the imports of which amounted to 13 million lbs. in 1929-30, the quantity of imported yarn used by the mills in Bombay is inconsiderable. The mills situated in Ahmedabad, however, were fairly large users of imported yarn till the year 1929-30. Since March, 1930, when the movement for boycott of foreign cloth was revived in full vigour and strength under the command of the Working Com-

(11) The value of the import of foreign yarn during 1927-28 to 1929-30 was respectively 678 lakhs, 628 lakhs and 599 lakhs of rupees.

mittee of the Indian National Congress, a very large number of mills have pledged themselves not to use foreign yarn in the manufacture of cloth. In absence of any reliable statistics of the use of foreign yarn by Indian mills, it is difficult to say exactly how much foreign yarn is used by the hand-loom, but there is no doubt that a considerable portion of the imported fine yarn is used by the hand-loom, and that its use has increased during recent years. Large quantities of Loongies, Madras handkerchiefs, coloured Saris and Angabastrams, turban cloths and muslins are manufactured from yarn of counts 38-40 to 115-120 which is largely imported from abroad, and it is estimated that nearly 35 million yards of Loongies and 2 million yards of Madras handkerchiefs alone are produced on the hand-loom annually. It must be noted, however, that the percentage of imported yarn used by the hand-loom to the total of the yarn used by them cannot be a high one as they consumed nearly 300 million lbs. of mill-spun yarn in 1929-30, while the total imports of cotton yarn were only about 43 million lbs.

Percentage  
shares of  
United  
Kingdom,  
Japan, etc.  
in imports  
of yarn.

24. The percentage shares of the United Kingdom, Japan and China in the imports of cotton twist and yarn for the years from 1919-20 to 1929-30 as compared with 1913-14, are given below as they will be of interest :—

TABLE No. 4.

*Percentage shares of the United Kingdom, Japan and China in the imports of the quantity of cotton twist and yarn.*

Country.	1913-14.	1919-20.	1920-21.	1921-22	1922-23.	1923-24.
United Kingdom	86	81	49	70	52	59
Japan ...	2	13	42	26	45	46
China (including Hongkong) ...	...	...	...	...	...	...

  

Country.	1924-25.	1925-26	1926-27.	1927-28.	1928-29.	1929-30.
United Kingdom	37	31	41	39	53	46
Japan ...	57	65	54	32	17	25
China (including Hongkong) ...	...	...	2	25	26	24

It can be seen from the table that the share of the United Kingdom is decreasing and that of Japan, increasing. During the last three years—since the specific duty of 1½ anna per lb. of yarn was imposed, the imports of coarse yarn have gone down as the incidence of the duty is very heavy on coarse yarn which is of low value. Japan appears to be recovering the ground which she lost in 1928-29.

25. The question of the use of mercerized yarn and artificial silk yarn by the hand-loom also deserves consideration. The quantity of imported artificial silk yarn during the years 1927-28, 1928-29 and 1929-30 has been 75 lakhs lbs., 76 lakhs lbs. and 73 lakhs lbs. respectively, the value being 149 lakhs 135 lakhs and 99 lakhs of rupees respectively. It will be noticed that the value has fallen during the year 1929-30 considerably as compared to 1928-29, although the quantity is almost similar. The imports of mercerized yarn during the years 1927-28, 1928-29 and 1929-30 have been 53 lakhs lbs., 40 lakhs lbs. and 57 lakhs lbs. respectively (12), the figures of value being 109 lakhs, 83 lakhs and 108 lakhs of rupees respectively. It is evident from the figures given above that the imports of both these kinds of yarn were on the increase till 1929-30. It is not easy to estimate how much of this imported artificial silk and mercerized yarn is consumed by the hand-loom weaving industry ; but from the records compiled by several import-

Use of  
mercerized  
yarn and  
artificial  
silk yarn  
by the hand-  
looms.

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(12) Imports of mercerized cotton also show a reduction during the year 1930. For the nine months ended December, 1930 the import of mercerized yarn came to 26 lakhs lbs. as compared with 46 lakhs lbs. during the nine months ended December, 1929, similar figures of value being Rs. 39 lakhs for the nine months ended December, 1930 as compared with Rs. 90 lakhs for the nine months ended December, 1929.

Imports of artificial silk yarn have also decreased. The quantity fell from 56 lakhs lbs. to 43 lakhs lbs. and the value from Rs. 77 lakhs to Rs. 51 lakhs, during the nine months ended December, 1930 as compared with the nine months ended December, 1929.

Consump-  
tion by  
hand-loom  
about 80%.

ing firms based on information received by them from hand-loom weaving centres, it is estimated that the consumption of mercerized and artificial silk yarn by the hand-loom is varying from between 60 and 80 per cent. An official in intimate touch with the cotton mill industry of Bombay is of the opinion that 60 per cent. of the quantity of artificial silk and mercerized cotton yarn imported in Bombay, and 80 per cent. of the quantity imported in India was used by the hand-loom weaving industry. The Collector of Customs, Bombay, put the figure of the consumption of these yarns by the hand-loom as high as 95 per cent. The fact remains that a very large percentage of this imported mercerized and artificial silk yarn is used by the hand-loom in the production of finer fabrics. Imported artificial silk yarn and mercerized yarn have come into general use owing to the fact that it is possible to impart attractiveness and gloss to the cloth by the use of such yarn. In view, however, of the fact that people have pledged themselves to the use of *Swadeshi* articles, the use of all imported yarn will have to be stopped absolutely in the near future, for the cloth that has to be produced for consumption inside the country. There seems to be nothing wrong in using artificial silk and mercerized yarn or imported yarn, in producing articles, for the purpose of export to the foreign countries.

Need for its  
abandon-  
ment.

like Persia, Iraq, East Africa and Red Sea Ports.

26. Some people are of the opinion that the imports of artificial silk yarn should not be stopped as such yarn cannot be manufactured in India and as it would be doing a great disservice to hand-loom weavers who are accustomed to using it in the cloth manufactured by them. Suffice it to say that there is no need for artificial silk yarn or cloth made out of such yarn in India. Besides, if artificial silk yarn, or piecegoods of artificial silk or of cotton mixed up with artificial silk are allowed to be imported and no ban placed upon them by the country, such imports will mount up considerably in quantity and the present menace of the imports of cotton yarn and cotton piecegoods will be substituted by these artificial silk yarn, and goods.(13) Such a tendency is being witnessed during the last two or three years. The total imports of piecegoods of cotton and artificial silk during the year 1929-30 came to 56 million yards valued at 315 lakhs of rupees compared with 49 million yards valued at 330 lakhs of rupees in 1928-29. There has been thus an increase of 6 million yards in quantity of imports during one year. In this connection, it is interesting to observe

Imports of artificial silk yarn and artificial silk goods should be banned.

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(13) I consulted Mahatma Gandhi on this point. He has expressed the following opinion : "Imports of artificial silk yarn and piecegoods deserve to be banned".

Increase in  
import duty  
suggested

People should  
not use hand-  
woven cloth,  
if produced  
from artificial  
silk yarn.

that the largest single supplier of piecegoods of artificial silk and of cotton was Japan. Imports from Japan during the year 1929-30 amounted to the enormous figure of 25 million yards (or nearly 44 per cent. of the total imports) valued at 140 lakhs of rupees as compared with 3 million yards valued at 30 lakhs of rupees in the year 1928-29. Within the space of one year the increase of imports from Japan came to 21 million yards in quantity. This tendency of importing piecegoods of cotton and artificial silk, if allowed to grow unchecked, will offer in course of time a fresh obstacle in making India self-sufficient in regard to her requirements of cloth from internal sources, and therefore the imports of such cloth should be stopped all at once. I would therefore suggest that the  $7\frac{1}{2}$  per cent. *ad valorem* duty on imports of artificial silk yarn, and the 15 per cent. *ad valorem* duty on imports of piecegoods produced from artificial silk yarn should be increased to a figure which would discourage their importation. I would also urge the people not to use cloth made out of artificial silk yarn, on our hand-looms, and also imported piecegoods of artificial silk or of cotton mixed with it. During the nine months from April to December, 1930 the imports of piecegoods made entirely out of artificial silk yarn and out of cotton and artificial silk yarn have reached the high figure of 32 million yards as compared with

35 million yards for a similar period during 1929 in spite of the fact that the movement for the boycott of foreign goods has seriously curtailed the imports of cotton piecegoods which have been reduced to 713 million yards during the nine months ended December 1930 as compared with 1380 million yards during the nine months ended December 1929. The value of these imports of artificial silk goods for the nine months ended December 1930, has fallen to 14 million rupees as compared with 20 million rupees during the same period in 1929.

27. It is very likely that a section of the hand-loom weavers who depend at the present time on foreign yarn—plain, mercerized or coloured, or artificial silk yarn will have to suffer due to the loss of market for their goods which cannot be called purely *Swadeshi*. Such dislocation, undesirable as it is, is at present inevitable; but I hope it will not exist permanently. The weavers whose looms are adapted to the use of yarns of counts higher than 40's should turn to the use of little less fine Indian mill-made yarn, if they cannot suddenly adapt their hand-loom to the use of hand-spun yarn which is generally of a coarse quality. Those weavers, however, who are unable to adapt their looms to the use of any except very fine yarn of counts above 60's will have to depend on foreign markets for the sale of

Immediate  
effects of  
abandonment  
of the use of  
foreign yarn  
on hand-  
looms.

their goods made from foreign cotton or mercerized yarn. Other weavers who can easily utilise yarn of lower counts turned out by the spinning wheels, should at once do so. There will not be the slightest difficulty in obtaining large quantities of such yarn in future. As the persons in the cities, who have voluntarily undertaken to spin yarn for themselves, acquire experience and skill in spinning, and as others who had discarded spinning during recent years get accustomed to it again and acquire back their ancestral skill, the yarn turned out by them will not be irregular and untwisted, as it may perhaps be found to be the case at present. The quality of yarn is steadily improving. But it is very probable that the hand-looms will not find sufficient yarn of high counts, whether mill-spun or hand-spun, to replace the foreign imported yarn immediately. It is also certain that the hand-looms will not be able to use, with advantage, foreign yarn any longer, in the manufacture of their products, as a result of the ban placed by the Indian National Congress on the use of foreign yarn. The hand-woven goods therefore, will be of fairly coarse quality in future and it is the duty of the people to see to it that the hand-loom products are patronized, in spite of their rough quality and decreased fineness and gloss. The people will have to put a restraint on their fastidiousness

in taste and extend their patronage to cloth made out of coarse or medium yarns made within the country.

28. In the preceding pages a table has been given which shows the increasing production of yarn in the Indian mills. The table below gives the output of fine yarns during the last ten years, by the Indian mills.

Production of  
fine yarns  
in Indian  
mills.

**Table No. 5.**

*Output of fine yarn in millions of pounds.*

INDIAN MILLS.

	31's-40's Million lbs.	above 40's Million lbs.
1920-21	... 15	2
1921-22	... 17	2
1922-23	... 16	2
1923-24	... 20	3
1924-25	... 19	6
1925-26	... 20	6
1926-27	... 28	12
1927-28	... 34	11
1928-29	... 37	10
1929-30	... 46	15
1930 (April to Sept.)	29	12

29. It shows that the production of fine yarn by our mills is steadily on the increase, and that the increase will be still greater in the future years. We will now consider

Can we produce sufficient yarn for meeting the demand of cloth ?

the question as to whether it will be possible to find sufficient yarn in India just at present for supplying the requirements of the cloth of this country. We have seen from a previous table that we import annually from foreign countries since 1927-28 about  $43\frac{1}{2}$  million lbs. of cotton yarn and  $1\frac{1}{2}$  million lbs. of artificial silk yarn and mergerized cotton yarn, in addition to cotton piecegoods approximating 1900 million yards.(14) As against this, the production of yarn in the Indian Mills during the year 1929-30 was 833 million lbs. This means that India is dependent on foreign countries for the supply of yarn to her to the extent of only 5 per cent. of her production. There is thus no difficulty in India being self-sufficient in regard to the supply of her yarn. The imports of foreign yarn chiefly comprise higher counts from 26 to 40's, the production of which has also increased in the Indian Mills during the last 2 or 3 years. It should also be remembered that India exports annually large quantities of yarn. Exports of yarn from India during the years 1926-27, 1927-28, 1928-29 and 1929-30 were respectively 42 million lbs., 25 million lbs., 24 million lbs. and 25 million lbs. These yarns were sent to Egypt, North Africa, Red Sea Ports, Ceylon and Straits, Persian Gulf and other countries. With the imports of

(14) Imports of cotton twist and yarn during the nine months ended December 1930, were only 21 million lbs., as compared with 33 million lbs. for the nine months ended December 1929.

long-stapled cotton from Africa, Egypt, America and other countries, there will be no difficulty whatsoever for the Indian Mills in producing the quality of yarn necessary for replacing the imports of foreign yarn; and what is more, they will be able to produce a larger quantity of such fine yarn necessary for manufacturing cloth in India, for ousting the cloth now imported from abroad. The hand-spinning wheels will also contribute large quantities of yarn in future for making cloth, and these latter will constitute, in course of time, the chief source of the supply of yarn to the hand-looms. To this, however, we will turn a little later.

30. There is a great deal of controversy going on at the present time as to whether the mills ought to be allowed to import foreign cotton for manufacturing cloth. The arguments against the import of raw cotton are (1) that the goods manufactured from such cotton cannot be called purely *Swadeshi*, and (2) that the price of Indian cotton undergoes a considerable fall, as the demand is reduced for it, and this in turn hits the cultivators. Both these arguments are not very cogent and convincing. In the first place, the demand of Indian cotton (a bulk of which is suitable for coarse spinning) reduced by the import of foreign cotton (which is all long stapled), is very small. The fall in the price of

**Advisability of importing long stapled cotton from abroad for turning out finer counts of yarn.**

Indian cotton should also be ascribed, not so much to the fall in Indian demand but to world causes. The quantity of the imports of raw cotton from outside India was only 162,000 bales in 1928-29 and 134,000 bales in 1929-30, amounting in value to Rs. 3,90 lakhs and Rs. 3,42 lakhs respectively, and during the nine months ended December, 1930 the import was 33,000 tons (roughly equivalent to 2,10,000 bales) valued at Rs. 4,05 lakhs only. The quantity and value of exports of raw cotton from India during 1928-29 and 1929-30 were 37 lakhs bales valued at Rs. 66 crores and 40 lakhs bales valued at Rs. 65 crores respectively, and during the nine months ended December, 1930 the export was 66,951 tons valued at Rs. 32 crores. The reduction in exports is largely due to the depression in the cotton industry of the world.

Production,  
consumption,  
Export and  
Import of  
raw cotton.

Let us now see what is the consumption of Indian raw cotton in the Indian mills during the years 1928-29, and 1929-30. According to the Indian Central Cotton Committee, the mill-consumption of Indian cotton during the year 1928-29 was 17 lakhs of bales (of 400 lbs.) and in the year 1929-30, 22 lakhs of bales. The export of Indian Cotton during 1928-29 and 1929-30 was respectively 37 lakhs of bales and 40 lakhs of bales. The Indian crop for the season 1928-29 was 57 lakhs of bales and the estimated crop for the

season 1929-30 was 52 lakhs of bales.(15) It will be seen therefrom that the quantity of Indian cotton exported is almost double the quantity consumed in the Indian mills. A small reduction in the consumption of Indian cotton at home cannot therefore bring about an appreciable decrease in the prices of Indian cotton. While the Indian mills should use as much Indian cotton as possible there appears to be nothing wrong in their importing raw cotton from foreign countries with a view to oust the import of finer quality of goods, by manufacturing a similar quality inside the country from the foreign long-stapled cotton. Besides, there should be nothing wrong in importing raw cotton from foreign countries. In fact, it is the country's desire that instead of being the purveyor of raw materials to the world she should supply manufactured goods from raw materials obtained if necessary, from other countries. What we are importing is only raw cotton and not a manufactured or even a semi-manufactured product like yarn. What is more, if the objective of the nation is to be achieved, *viz.*, to produce the requirements of cloth of India internally, the importation of long-staple cotton from foreign countries should

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(15) This estimate is made by the Government. Private estimate of the cotton crop in 1929-29 and 1929-30 was 60 lakhs and 66 lakhs bales respectively. (Vide Review of the Indian cotton for the season 1929-30 of Messrs. Chunilal Mehta & Co., Bombay)

be encouraged, till such time as sufficient long-staple cotton is available inside the country,(16) for turning out finer yarn for manufacturing the quality of fine goods similar to imported ones, with a view to replace them. If we accept the argument that we should not import foreign cotton as thereby the demand for Indian cotton is reduced and consequently its price, the object of making India independent of foreign sources for the supply of her cloth will be delayed in achievement, and this will be a great disservice to the country. It will not be agreed by any reasonable person that all people will be prepared to turn at once to the use of coarse cloth that can be made from Indian cotton of short staple, and it is therefore necessary to initiate them into the use of *Swadeshi* cloth (even after importing long-staple cotton from foreign countries), by making it as similar as possible to the imported cloth, to the use of which they may have been accustomed for a long time. I hope that the short-sighted policy of banning the import of raw cotton will not be advocated from any responsible quarter, especially because it is fraught with the danger of retarding the goal of self-sufficiency

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(16) Vide the footnote in paragraph 42, about the quantity of Indian cotton suitable for manufacture of high counts of yarn. Generally, the Indian cotton is not capable of producing beyond 30's warp.

in the matter of the supply of cloth from internal sources.(17)

In this connection it may be of interest to note that it was the Government of India who imposed a 5 per cent. Import Duty on imports of Egyptian and American cotton in the year 1875 with a view to prevent India from manufacturing fine fabrics out of such cotton in competition with Lancashire (*Vide* Appendix II). We should be careful that we do not, out of rashness, take a step which would hinder our progress and which would benefit the foreign countries and help them to maintain their position in the supply of fine goods to India.

There is no doubt that the demand for Indian cotton inside the country will be on the increase as the mills produce more cloth and as hand-spinning becomes more prevalent.

31. We may now turn our attention to the methods of helping the hand-loom weavers. In order to help them in keeping their custom and making a decent living, it will not be difficult to put an adequately high tariff duty on all foreign imports of cloth as well as of yarn, under the new Nationalist Government, which I hope,

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(17) I had an occasion to consult Mahatma Gandhi on this point. He stated "I personally believe that we can take the necessary raw cotton from foreign countries."

Protection  
to hand-loom  
products—  
(1) by prohibi-  
tive duty on  
foreign cloth.

will not be long in coming. If necessary, a prohibitive duty on imports of foreign cloth and on yarn can also be imposed for a temporary period in order to oust them completely, and to enable India to stand competition successfully with other advanced countries in respect of the production of the cloth required by her. By taking such a step we shall be assured that the requirements of India in regard to cloth will be met from inside the country. This being done, the next step could be the introduction of suitable legislation, whereby the mills in India would be precluded from engaging themselves in the production of cloth from yarn, say, below 12 average counts excepting twills, blankets, calendered cloth, Dobbie pattern, jacquard pattern, etc. The enactment of such a legislation will ensure a distinct market for the goods produced on the hand-looms and they will thus have no competition from the machine-made goods of the country, in the manufacture of certain kinds of cloths which will be produced exclusively by them. Even if there is any competition in some kinds of cloth between the Indian mills and the hand-looms, there will always be, as there is now, a considerable section of the people that would not grudge paying a little higher price for the hand-loom products than for similar mill-made cloth.

(2) by elimi-  
nation of  
competition  
with mill-  
made cloth.

Apart from the purely economic considerations there may also be a feeling that the money goes to the pockets of the poor teeming millions who will be saved from starvation and penury and that it helps to create employment for a large section of the people who can engage themselves in weaving and spinning during their leisure hours. If spinning which is as much the backbone of the hand-weavers as of the agriculturists, becomes universally prevalent as a supplementary occupation for which it is best suited, this will contribute in a large measure also to the revival of village prosperity.

There is still another way of encouraging the use of *Khaddar* in the country. A truly Nationalist Government having the welfare of the masses really at heart can give a great impetus to hand-weaving by using only *Khaddar* for uniforms and its several other requirements of cloth, and could get every big consumer like the Railways, Port Trusts, Courts, Municipalities, District and Local Boards and other similar public institutions to follow this example. It may also be prescribed that the members of the Central and Provincial Legislatures should be present at the sittings in *Khaddar* only and "what great ones do the less will prattle of and follow." The practice will also filter down to educational and other institutions, and

(3) by prescribing the use of *Khaddar* in Government and semi-Government institutions.

*Khaddar*  
would  
become a  
fashion.

wearing of *Khaddar* may easily become a fashion among the gentry. As soon as this is accomplished it will be easy to remove the foreign cloth evil completely. In the meantime every wearer of *Khaddar* will have to assume the role of a propagandist and must help in the revolution of national taste.

Present  
difficulty  
of hand-loom  
weavers.

32. We will now turn our attention to the difficulties experienced at present by the hand-loom weavers in regard to the production and marketing of their cloth.

Classification  
of hand-loom  
weavers.

The hand-loom weavers in India may be classified into 3 divisions:—(1) independent weavers working in their homes and having sufficient finance for purchasing yarn, (2) dependent weavers perpetually indebted to yarn dealers and money-lenders and (3) Entrepreneurs with a group of 10 or 12 or more weavers, working under their personal supervision. The dependent weavers form a very large majority of the whole group, while the independent weavers are estimated to be about 20 per cent. and Entrepreneurs about 5 per cent.

The want of organisation on the part of the weavers and the hosts of middlemen who in the retailing of yarn to the weavers make huge profits, are factors which tend to make the hand-loom cloth dearer than the mill-made. The primitive methods of the hand-loom

weavers are also responsible for the price of the hand-loom cloth being higher than it need be. The general introduction of the fly-shuttle looms alone would increase their efficiency and their profits, reducing at the same time their cost of production. It is a matter of great regret to find that out of the 1,76,347 looms working in the Province of Punjab in the year 1926 only 2,948 were fly-shuttle looms while as many as 1,72,894 were primitive looms (18). The individual weavers also suffer because they are carrying on a complex series of operations without recognition of the advantages of sub-division of labour. It is imperative that for improving the lot of the weavers they ought to be induced to accept outside assistance which can be effectively rendered by the establishment of Co-operative Societies etc. These Co-operativs Societies could supply the weavers with the yarn at favourable rates and take back finished goods.

Their un-organised condition.

The hand-loom weavers are engaged in manufacturing either cotton goods or silk goods or woollen goods. The average workers earn from about -/8/- annas to Rs. 1/4 per day. The silk weavers earn highest wages while the cotton weavers earn the lowest. Hand-loom weaving is the sole support of a certain class of weavers in

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(18) *Vide* "Punjab Industrial Monograph No. 1".

Present  
condition of  
weavers :

practically every province, particularly in the large urban centres. The average monthly income, however, of the hand-loom weavers may be estimated at about Rs. 15/-. Weavers of fine cloth naturally demand higher wages than the weavers of coarse cloth. The hand-loom industry at present provides occupation for between 2 and 3 million weavers, and they support between 8 and 10 million people (19). The condition of the weavers is not satisfactory at present, because, as pointed out below, it is the middlemen who make large profits out of the labour of the weavers.

Drawbacks in  
weavers'  
organisations.

33. The chief drawbacks in the existing organisations of the hand-loom weavers are:—

- (i) High price of yarn paid by them (20),
- (ii) low price of finished goods owing to forced sales and absence of marketing facilities and
- (iii) costly and inadequate finance.

The various Provincial Banking Enquiry Committees, notably, the Bombay Provincial Banking Enquiry Committee, have recently submitted their reports and made, *inter alia*, excellent suggestions emphasizing the necessity of freeing the poor hand-loom weavers

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(19) Vide "Young India" dated October, 1, 1926.

(20) This refers to mill-spun yarn. Village economy demands that the weaver should receive yarn not from the middleman but from his fellow-worker, the cultivator.

from the money-lenders who charge them exorbitant rates of interest leaving them no margin of profit. An equally efficient organisation is necessary for the regular supply of yarn (21) at cheap rates and the sale of goods manufactured by the weavers at reasonable prices. Till this is done, the middlemen and the money-lenders will continue to derive all the profits and the condition of the weavers will be anything but satisfactory. All these problems can best be tackled by the authorities in charge of the Government Department of Industries, Co-operative Societies etc., who would be in a position to give to the hand-loom weavers cheap financial and other assistance required by them.

34. The following suggestions indicating the directions of making improvements in the organisations of the hand-loom weavers may be considered :—

- (1) Demonstration stations for making technical improvements in the hand-looms and improving the quality of goods manufactured, and the efficiency of workmanship.

Suggestions for improvement in the condition of hand-loom weavers.

- (2) Central yarn purchasing agency in order to reduce the high cost of yarn purchased at present from middlemen. Hand-spun yarn could be purchased direct from the farmers in the village, by the hand-loom weavers.

(21) The weavers buy yarn outright sometimes, but in most cases, they buy on credit. Here comes the middleman. (*Vide* P. N. Mehta—Report on Hand-loom Weaving, and Industrial Evolution of India—by D. B. Gadgil).

- (3) Sales-rooms for bringing their products to the notice of the people.
- (4) Exhibitions where their goods could be displayed.
- (5) Propaganda for popularizing hand-loom products and for bringing to the notice of the people the lasting qualities of hand-made cloth.
- (6) Establishment of technical institutions to train hand-loom weavers.
- (7) Reduction of transportation charges.
- (8) Abolition of duty by Municipalities in big towns on hand-woven cloth in order to encourage its use.
- (9) Encouragement of hand-woven cloth by prescribing its use as compulsory for attending the sessions of the Assembly, Councils, Municipalities, etc.
- (10) Imposition of adequate protective duty on imports of foreign cloth and foreign yarn.
- (11) Elimination of competition with mill-made products by prohibiting mills from manufacturing certain kinds of cloth, which are the speciality of hand-looms.

Census of  
hand-looms.

35. The Industrial Commission observed in 1916 that the number of hand-loom weavers in India had remained practically stationary during the last 40 years, but owing to the stress of competition they now turn out a larger amount of finished goods than was formerly the case. It is believed, the Commission stated, that between two and three million hand-looms are working in India.

The 1921 Census Report states the following with regard to hand-loom :—

“It was not considered possible to take a census of hand-loom throughout India nor was it possible to assess the hand-loom weavers in the country or various provinces.”

It must be explained here that all the weavers of cloth do not spend their full time on hand-loom although weaving is not a supplemental occupation like spinning.

The total number of hand-loom distributed over the whole of India is shown in the following table. (This table does not include the figures for the Central Provinces, United Provinces and the Berar).

**Table No 6.**

*Number of hand-loom in the different provinces of India.*

<i>Province</i>	<i>Number of looms</i>
1. Ajmer ...	1,587.
2. Assam ...	421,367.
3. Bengal ...	213,886.
4. Bihar & Orissa ...	164,592.
5. Burma ...	479,137.
6. Delhi ...	1,667.
7. Madras ...	169,403.
8. Punjab ...	270,507.
9. Baroda ...	10,857.
10. Hyderabad ...	115,434.
11. Rajputana ...	89,741.
<hr/>	
Total	1,938,178.

Though the number of persons returned in the census as weavers is inconclusive as to the estimate of the tendency of the progress or decline of the home-weaving industry, it appears that the production of hand-loom is on the increase and it is not wide of the mark, as mentioned in a previous paragraph, to say that this industry supports nearly 8 to 10 million people.

It can be seen from table No. 1 given above that the consumption of mill-spun yarn by the hand-loom is increasing of late years. Since April 1930 particularly, when the movement for the boycott of foreign cloth is going on vigorously, many looms which were lying idle have been brought into use again and new ones established. As was observed in an earlier paragraph, no accurate statistics are available about the quantity of hand-spun yarn available to the hand-loom. This also must have increased and there is no doubt that a far larger number of persons should now be deriving their livelihood from hand-loom weaving than a few years ago. I trust that the 1931 Census figures when published will bear out this statement.

Necessity of  
thorough and  
reliable  
statistics  
about  
hand-spun  
yarn.

36. It will be of interest to note the percentage shares of the import of cloth in India during the last few years. During the year 1929-30 we imported 1900 million yards of cloth from various countries. Out of this

cloth nearly 65 per cent. came from the United Kingdom, 29 per cent. from Japan and the balance from other countries of the world.

The following table indicates the shares of the principal competitors in the total quantity of piecegoods imported during the last four years. It also affords a comparison of the share of these countries with the pre-war period (1913-14).

Percentage figures of importation of cloth from various countries.

TABLE No. 7.

*Share of the principal countries in the total quantities of piecegoods imported.*

Countries of consignment.		1913-14.	1926-27.	1927-28.	1928-29.	1929-30.
		per cent.	per cent.	per cent.	per cent.	per cent.
United Kingdom	...	97·1	82·0	78·2	75·2	65·5
Japan	...	·3	13·6	16·4	18·4	29·8
United States	...	·3	·9	1·4	1·5	·5
Netherlands	...	·8	1·1	1·0	1·0	1·1
Other countries	...	1·5	2·4	3·0	3·9	3·1
Total	...	100·0	100·0	100·0	100·0	100·0

37. In view of the present movement for the boycott of foreign cloth in general and British cloth in particular, it will be of interest to study the figures of the quantity of the nett imports of piecegoods from foreign countries, along with the quantity imported from the chief countries, namely, the United

Statistics of nett imports of piecegoods from the United Kingdom, Japan etc. during 1929-30.

Kingdom and Japan during the last few years. In the following table such figures are given for the years from 1919-20 to 1929-30. It will be seen therefrom that the quantity of cloth imported from the United Kingdom in the year 1929-30 was even less than the quantity imported during the year 1920-21, while *imports of the quantity of piecegoods from Japan have trebled in quantity during the year 1929-30 as compared with 1920-21.*

TABLE No. 8.

*Quantity of nett imports of piecegoods from foreign countries, showing the imports from the United Kingdom and Japan, since 1919-20.*

Year.		Total nett imports of piecegoods, (after deducting re-exports). (Million yards.)	Total imports from United Kingdom. (Million yards.)	Total imports from Japan. (Million yards.)
1919-20	...	836	976	76
1920-21	...	1,405	1,292	170
1921-22	...	980	955	90
1922-23	...	1,467	1,453	108
1923-24	...	1,374	1,319	123
1924-25	...	1,710	1,614	155
1925-26	...	1,529	1,287	217
1926-27	...	1,758	1,467	244
1927-28	...	1,940	1,543	323
1928-29	...	1,912	1,457	357
1929-30	...	1,897	1,245	560
1930 (April to December)		703	440	232

During the nine months ending December, 1930, the total imports of piecegoods were reduced to 713 million yards as compared with 1,379 million yards during the nine months ended December, 1929. The imports from the United Kingdom fell to 440 million yards during the nine months ended December, 1930 as compared with 891 million yards during the nine months ended December, 1929 (a fall of over 50 per cent.). The imports from Japan were reduced to 232 million yards during this period, as compared with 404 million yards during the nine months ended December, 1929. This shows that the movement for the boycott of foreign cloth has been successful, particularly in the case of the United Kingdom whose imports have been reduced by more than half. It is very likely that the imports of foreign cloth from the United Kingdom during the coming months will witness a still greater reduction. It must be observed here that though it is not possible to enumerate with exactitude severally the effect of the boycott, and the increased duties that were imposed on imports of cloth in the year 1930, and the trade depression, it will be conceded that the reduction of the imports during the months after July, 1930 was due largely to the boycott movement. The Bombay Milliowners' Association recently observed that 80 per cent. of the reduction of the imports from July to November can be attributed to the boycott movement.

Success of  
boycott  
movement  
visible.

Statistics of  
value in  
rupees of im-  
ports of  
cotton piece-  
goods, cotton  
twist and  
yarn etc.  
during the  
last 20 years.

38. The statistics given in the tables above are only in regard to the quantities of imports. It would be very interesting and instructive to study the figures of the nett value of the imports of cotton piece-goods (minus re-exports), of the imports of cotton twist and yarn, and of the total value of raw and manufactured cotton during the last 20 years which are given in the following table. The figures of the value of the imports of cotton piecegoods and of cotton twist and yarn from the United Kingdom and Japan, during the years after 1919-20 have also been given in the table for the sake of comparison. It will be clear from the table that at present the value of the imports of piecegoods from the United Kingdom comes to about 66 per cent. of the total value of imports of piecegoods, and from Japan to about 25 per cent., and that the value of the imports from the United Kingdom of cotton twist and yarn comes to about 40 per cent. of the total imports of twist and yarn and from Japan to about 27 per cent. It also shows that the value of imports of piecegoods and yarn from the United Kingdom has been falling during the last six years, and that the value of the imports from Japan has been on the increase, till 1929-30. The value is sure to fall in the future years,

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**TABLE No. 9.**

*Value of net imports of piecegoods,  
of cotton twist and yarn, and  
of raw and manufactured  
cotton since 1908-09  
to 1929-30.*

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TABLE

*Value of nett imports of cotton piecegoods, of cotton twist to 1929-30 and of the value of imports of cotton piecegoods, and*

(In million)

YEAR.	Nett value of imports of piecegoods. (Minus re-exports).	Value of imports of piecegoods from the United Kingdom.	Value of imports of piecegoods from Japan.
1	2	3	4
1908-09 ...	312	...	...
1909-10 ...	328	...	...
1910-11 ...	375	...	...
1911-12 ...	411	...	...
1912-13 ...	517	...	...
1913-14 ...	567	...	...
1914-15 ...	421	...	...
1915-16 ...	353	...	...
1916-17 ...	431	...	...
1917-18 ...	464	...	...
1918-19 ...	448	...	...
1919-20 ...	478	...	...
1920-21 ...	802	708	83
1921-22 ...	395	373	36
1922-23 ...	552	522	42
1923-24 ...	543	493	46
1924-25 ...	670	602	57
1925-26 ...	530	445	68
1926-27 ...	539	447	65
1927-28 ...	539	427	82
1928-29 ...	530	404	88
1929-30 ...	495	336	126
1930 (April to Dec.)	161	107	44

N.B.—(The figures up to the year 1918-19 were arrived at in rupees the Pound. The figures for the year 1919-20 were arrived at in rupees which these figures were converted during these years into rupees in of Commercial Intelligence and Statistics, Calcutta. The figures have These figures, so far, were not available in any Government publication

No. 9.

*and yarn, and of raw and manufactured cotton since 1908-09 of cotton twist and yarn from the United Kingdom and Japan.*

Rupees).

Total value of imports of cotton yarn.	Value of imports of cotton twist and yarn from United Kingdom.	Value of imports of cotton twist and yarn from Japan.	Value of total imports of raw and manufactured cotton.
5	6	7	8
36	...	...	385
33	...	...	397
30	...	...	450
37	...	...	591
44	...	...	630
41	...	...	665
38	...	...	492
36	...	...	433
40	...	...	529
42	...	...	569
88	...	...	617
43	...	...	597
135	79	48	1038
115	87	22	603
92	56	32	718
79	46	28	699
96	45	45	865
77	31	42	693
86	30	32	700
67	30	23	719
62	35	12	671
69	29	16	629
23	9	6	246

from the figures published in Pounds sterling at the rate of Rs. 15 to on the basis of Rs. 10 to the Pound sterling (the rate of Exchange at the Statistical Abstract, was found out after enquiry at the Department been converted into rupees, as it is suitable for purposes of comparison, or other book, in rupees).

During the nine months ended December, 1930 the total value of the imports of cotton piecegoods fell to 16 crores of rupees as compared to Rs. 37 crores for the nine months ended December, 1929.

Can India  
be made self-  
sufficient in  
regard to her  
requirements  
of cloth ?

39. The question that naturally arises in one's mind, after considering our dependence on foreign countries in regard to the supply of cloth is, whether India can be made self-sufficient in regard to her requirements of cloth and whether we can retain the huge amount of money sent abroad for purchase of cotton piecegoods and yarn by manufacturing all the cloth needed by us inside the country and thus offering employment to a large number of the people. We must therefore consider whether we are in a position to stop the imports of piecegoods aggregating in value to 53 crores of rupees during 1928-29 and 50 crores during 1929-30, in addition to the imports of yarn aggregating in value to 6 crores of rupees in 1928-29 and 6 crores in 1929-30, and make India produce cloth from internal sources sufficient to cope with its demand for clothing.

Help of  
spinning  
mills and  
*Charkhas*.

40. We have observed in a previous paragraph that it would not be difficult for India to produce enough yarn, with the aid of her spinning mills and hand-spinning wheels, to turn out the cloth needed for her. We

will consider here how it can be done and offer some concrete suggestions in that behalf.

The average quantity of the import of cotton piecegoods from 1927-28 to 1929-30 is 1,900 million yards, and of yarn, about 45 million lbs. In the year 1929-30, the mills produced 833 million lbs. of yarn. 501 million lbs. of yarn were consumed by the mills in manufacturing cloth on the power-looms. 351 million lbs. of yarn were available to the hand-loom weaving industry and 25 million lbs. of yarn were exported to foreign countries. *The Indian Mills and the hand-looms put together supplied in 1929-30 nearly 65 per cent. of the total requirements of the country in regard to cloth*, and exported in addition, about 133 million yards of cloth to foreign countries. Only 35 per cent. of the cloth required by her, that is, about 1,900 million yards of cloth, and 5 per cent. of the production of yarn in India, which amounts roughly to 45 million lbs. was imported from abroad during 1929-30. For producing 1,900 million yards of cloth which are now imported from abroad, it would be necessary to provide about 400 million lbs., of yarn on the assumption that 100 lbs. of yarn produce on the average 112 lbs. of mill-made cloth, after allowing *both* for loss of weight by wastage of yarn and

How much quantity of yarn should India require for producing 1900 million yards of cloth imported from abroad at present ?

for increase of weight due to sizing and finishing (22), and about 475 million lbs. on the assumption that 1 lb. of yarn is required for manufacturing 4 yards of cloth, by the hand-looms. The present imports of 45 million lbs. of yarn will also have to be substituted by Indian-made yarn.

41. The figures of the present production of yarn in India have been given in a previous table (*Vide* Table No. 3). It must be clearly understood, however, that these figures exclude the figures of hand-spun yarn for which no official statistics are available. We have assumed in Table No. 1 that 10 per cent. of the total supply of foreign and Indian mill-made yarn to the hand-looms must be hand-spun yarn. It is clear, however, that this estimate cannot be reliable for the years after 1920-21 and particularly for the years after 1929 since when the movement for hand-spinning has received a great impetus due to the strong appeal made by Mahatma Gandhi for reviving spinning and making it again the universal industry which it once was. It is not easy to estimate the quantity of hand-spun yarn produced in the country. There is no doubt, however, that the quantity of

(22) This was the basis of calculation adopted in 1918 by the Industrial Commission, and accepted by Mr. R. D. Bell in 1926, after consulting the Ahmedabad and Bombay Mill-owners' Associations.

1 lb.	}	25	lb. yarn.
		28	
Thus,			
	=4.27 yds.		
	This gives 1 lb. yarn=4.78 yds. of cloth (mill-made).		

yarn turned out by the hand-spinning wheels must be far larger than that assumed in Table No. 1 according to which the quantity of hand-spun yarn available during the year 1928-29 must have been 27 million lbs. and in 1929-30 35 million lbs. Two or three years ago it was estimated that there were in India about 50 lakhs of spinning wheels. Messrs. S. V. Puntambekar and N. S. Varadachari estimated in their book on "Hand-spinning and Hand-weaving" published in 1926 that there were about 50 lakhs of *Charkhas* at work in the country. A similar estimate was made in 1928 by Mr. Richard B. Gregg in his "Economics of Khaddar". The most moderate estimate of the out-turn of yarn per spindle is 25 lbs. per year. Assuming that the figure of the *Charkhas* at work is fairly correct, on this basis the total yarn turned out during the last two or three years would be on the average about 125 million lbs. Even conceding that all *Charkhas* were not working regularly, it cannot be denied by any observer that the quantity of yarn turned out on the *Charkhas* during the last one or two years should have been less than 60 million lbs. or almost double the quantity assumed in Table No. 1. I am assuming the output at the *very lowest* (only 12 lbs. per spindle per year) in order that the result may not be at all exaggerated. Assuming that 3 sq. yards of cloth can be

Quantity of  
handspun  
yarn  
assumed as  
available in  
Table No. 1.

Estimated  
production of  
hand-spun  
yarn.

2 crores  
*Charkhas*  
required for  
producing  
the yarn  
required  
by us.

One-fourth of  
agricultural  
population  
can be  
helped.

Help of  
spinning  
mills, till this  
goal is  
reached.

made from 1 lb of hand-spun yarn (the quality being coarse), instead of 4 yards from 1 lb of yarn assumed in the case of cloth woven from mill-spun yarn, the total production of cloth from hand-spun yarn on that basis would be about 180 million yards or nearly 10 per cent. of the import of foreign cloth during the year 1929-30. It must be noted, however, that the average out-turn per spindle if worked regularly for about two hours per day, can easily be estimated at 25 lbs. a year, without fear of exaggeration. On this assumption, it can be seen that for producing 500 million lbs. of yarn we would require about 20 million *Charkhas* producing 25 lbs. of yarn on the average per year. In this way about 20 million spinners would supplement their income by spinning. In addition to these 20 million spinners, thousands of ginners, carders, sizers, dyers, carpenters, smiths, educated organisers, and about 15 lakhs of weavers would derive maintenance from this industry. This means about one-fourth of the total agricultural population of India, deducting 61 million children under the ages of 10 from the total population of 220 millions of agricultural people. To the extent that this can be done, it is well and good. Till, however, this comes into being, it will be possible for the spinning mills in India to help in the matter. The spinning mills produced in 1929-30 about 833 million lbs. of yarn. If the

spinning mills produced 50 per cent more than the quantity of yarn they produced in 1929-30, the imports of foreign piecegoods and foreign yarn can be ousted completely but it will not be possible for them to produce all this quantity without increasing the number of spindles, and this is a matter of heavy cost. If, however, the spinning mills work double-shift, and work to their full capacity, they will certainly be able to produce larger quantities of yarn for their own requirements for the production of cloth and will also have more yarn to spare for the use of the hand-loom, unless of course they increase their looms, and consequently their consumption, as they did a few years ago. In the interests of the hand weavers, however, it would be more desirable if larger quantities of hand-spun yarn were made available to them in future, as then it will be possible for them to improve their condition more easily, and to get rid of their dependence on the mills for the supply of yarn, and the money-lenders who are a necessary evil as long as they continue to depend on the supply of mill-spun yarn. There is no doubt, however, that since the estimate of number of *Charkhas* was made in the year 1926, the quantity of yarn produced on the spinning wheels is increasing due both to the increase in the number of spinning wheels and to the regularity with which they are plied, in order to satisfy the

In their interest, the hand-weavers should depend on hand-spun yarn.

Handloom-  
weavers may  
may rest  
assured of  
an adequate  
supply of  
hand-spun  
yarn.

Appreciation  
of importance  
of spinning  
as a  
supplemental  
industry.

growing demand of the people of the country for *Khaddar*, i.e., cloth made out of hand-spun yarn. Specially since the year 1930, when the movement for the boycott of foreign goods was launched in full vigour, the number of spinning wheels and *Taklis* plying in the cities is also on the increase, and from what one can judge at present it appears that this tendency of voluntary spinning on the part of the people in the cities in deference to the strong appeal made by Mahatma Gandhi will not decrease. The handloom weavers, therefore, need not fight shy of using hand-spun yarn both because the quality of hand-spun yarn will improve as the spinners gain experience, and the stability of the new movement seems to be assured. With the wide appreciation of the supreme importance of this premier cottage industry by the educated and wealthy classes, and the practice of spinning as a part of domestic duty and routine, the national taste for *Khaddar* is bound to revive, as indeed it seems to be reviving, however defective and coarse the cloth is. Along with this wide appreciation of the great importance of spinning as a supplemental industry for the masses, the appreciation is also coming of the fact that hand-woven products possess greater durability than mill-made cloth. With all this welcome change in the mentality of the people, it should not be difficult to make

India self-sufficient in regard to the production of cloth. Hand-spinning and hand-weaving can, as pointed out above, contribute a great deal in this direction, and therefore deserve the encouragement of all well wishers of the country.

42. We will now consider whether we will be in a position to produce goods indetical to the goods now being imported. It is certain and it must be admitted without any hesitation that India will not be able to produce in the near future, piecegoods identical in quality, fineness of texture, and finish to those imported from abroad, for various reasons. The quality of yarn that we should be able to produce in the near future, will also be assuredly different from the quality of the present imports, but with the modification in the taste of the people, it should not be difficult for India to substitute to a very large extent the present imports of foreign cloth.(23) From the supply of indigenous cotton it will not be possible for India to produce a large quantity of very high counts of yarn, coloured, plain, or grey, immediately, as the bulk of Indian cotton is not suitable for producing very fine counts

India can not produce, in the near future, piecegoods of the same fineness as imported ones.

But with restraint in the taste of the people, and manufacture of finer yarn from long—stapled cotton, we can succeed to a great extent in replacing imported fine fabrics.

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(23) The quality of goods produced in most mills is certainly inferior, observes Mr. Arno S. Pearse in his "Cotton Industry of India", to what we are shipping from Europe to India. Generally the yarn is leafy but the quantity is good enough to replace our production, and that is what counts.

of yarn.(24) This being so, it would be necessary to import cotton of longer staple from Egypt, Africa, America, and other countries, and it will be very advisable, to do so in order to produce goods in India similar or as similar as possible to those now imported from abroad. Indian Mills will have to take to producing finer and finer goods manufactured out of finer and finer yarn, in the years to come to supplement the output of coarse goods by the hand-looms.

Salvation  
of mills lies  
in producing  
finer  
quality of  
yarn and  
goods.

Fine  
spinning in  
mills also  
leads to  
efficiency  
in work.

43. The salvation of the mills lies in producing finer fabrics in competition with the cloth imported from Lancashire and other countries. It is not generally recognised that fine spinning leads to higher efficiency, both in spinning and weaving, due to the fact that less shuttling is required with fine yarn and consequently less stoppage of machines.

There is also a feeling that it is a real economy to purchase cheap cotton for manufacturing certain kinds of yarn.

In doing so, the following important considerations are ignored and as a result efficiency is lowered and profits reduced. For

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(24) The Indian Central Cotton Committee informed the Indian Tariff Board in 1927 that out of the total Indian crop of sixty lacs of bales, there will be about twenty lacs of bales of long-staple cotton of which 3,20,000 bales or 16 per cent. may be taken as suitable for warp yarn of 30/36 counts and an additional 50,000 bales or 3 per cent. suitable for weft yarn of 30/36 counts. (*Vide* page 259 Tariff Board's Report).

instance, if instead of drawing the maximum count of yarn from certain cotton, only the proper mill—standard count is drawn there is less loss percentage in blow-room, carding and spinning. Yarn can be spun with lower twist, thereby getting more production and a softer quality. This will also result in more production in the weaving shed on account of less breakages. In regard to labour charges also there will be a saving, as due to less breakage from yarn manufactured out of cotton from which only a standard count has been drawn, the spinning labour and the weaving labour will be able to manage more spindles and looms. The cloth turned out will also be of a superior quality and fetch a higher price. The count of yarn will also have a better diameter. Due to these advantages, the higher price paid for purchasing superior quality of cotton for drawing only a standard count which it can easily bear—instead of purchasing an inferior quality of cotton and making it yield a higher count by stretching it—is amply compensated and conduces to larger profit. This fact is being generally appreciated by some of the Ahmedabad mills who have therefore reached a higher efficiency in regard to spinning and weaving as compared with Bombay.

False economy to purchase inferior cotton for spinning high counts of yarn.

44. As for the hand-looms, it is certain that the mills will not be able to supply them

Mills will not be able to supply fine yarn to hand-loom.

yarn above 40's in large quantities, firstly because they do not at present produce large quantities of such yarn, and secondly because, they will themselves require more and more of fine yarn for turning out finer cloth, in order to substitute the imports of similar cloth from abroad. It must also be recognised that the contribution of the hand-spinning wheels will increase materially in the future, as self-spinning is becoming more popular and more prevalent amongst the people of the country, in cities as well as villages. The hand-loom will therefore have to depend on hand-spun yarn more and more.

Methods of substituting imports of foreign cloth—co-operation of hand-loom, *Charkhas*, mills and the people.

45. Among the methods of substituting the imports of foreign piecegoods and of making India self-sufficient in respect of the requirements of her cloth from internal sources, those that easily suggest themselves, are :—

- (1) that either our weaving mills or our hand-loom should undertake to produce cloth as akin to the cloth imported from foreign countries by importing, if necessary, American or Egyptian cotton (25) for turning out finer yarn in the spinning mills.

Weaving of fine fabrics.

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(25) The mills and the hand-loom in Bombay and Madras have access to the Sea, and consequently the transportation of exotic cotton for finer spinning is almost as cheap as that of domestic cotton.

- (2) that our spinning mills should concentrate on producing finer counts of yarn similar to those imported from foreign countries to enable the weaving mills, and the hand-looms, which cannot take to the use of hand-spun yarn, to turn out fine cloth. Spinning of fine yarn.
- (3) that the number of hand-spinning wheels should be increased and the spinners should turn out larger quantities of regular and well-twisted yarn for manufacturing cloth, and the spinning mills should work to their fullest capacity and in double-shifts. Increase in No. of charkhas.
- (4) people should abandon their fastidiousness in taste and should resolve to use hand-woven cloth made only out of hand-spun yarn, in appreciation of the numerous social, economic and beneficial results accruing therefrom to the community, and where that is not possible, to use cloth made by the hand-looms from Indian mill-made yarn, or cloth made by the Indian mills. Resolve of people to use hand-woven cloth.
- (5) people should reduce their demands of cloth, and particularly, such kinds of cloth as are now imported from abroad, till such time as sufficient or similar cloth is available inside the country, thus obviating to a considerable extent the necessity of importing cloth from abroad. Necessity of reduction of demands of cloth.
- (6) an endeavour should be made for cheapening the price of Indian piecegoods. There is no doubt that the Cotton Mill Industry of India is greatly helped by the prevalence of the spirit of *Swadeshi* amongst the people, in a variety of ways. The demand for Indian Cotton mills should reduce price of cloth as much as possible, keeping a very small margin of profit.

cloth has increased. It behoves the mill-owners not to exploit the feeling and sentiment of the people for putting on *Swadeshi* cloth by increasing the price of the cloth made in the mills. They ought not to repeat the mistake which they committed on previous occasions, of increasing the price of their goods, when there was a great demand for them. In the larger interests of the country, they ought to reduce the price of the cloth produced by them as much as possible and should bring home to the people the advantages of having a home industry producing the cloth required by them. An endeavour should also be made for reducing the price of hand-woven cloth, and this can be done largely by proper organisation on the part of weavers, and the elimination of the middlemen, who to-day reap the largest profits.

No insuperable difficulty in meeting our demand for cloth if hand-loom and *Charkhas* are increased.

Mills may be unable to produce cloth of width longer than

46. 'As has been pointed out above, there will be no insuperable obstacle in our supplying our own requirements of cloth internally, if the spinning and weaving mills work double-shift, if the hand-loom work to their full capacity, and their number increased (and this can be done at small cost), and a larger quantity of hand-spun yarn is turned out by increasing the number of *Charkhas* and plying them regularly. The mills will be able to increase their own production both of cloth (26) and of yarn and

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(26) While there will be no difficulty in the mills supplying, if necessary, the bulk of India's requirements of grey dhoties, grey shirtings, bleached longcloth, mulls, madapolams and cambrics and practically all her requirements of woven coloured goods and piece-dyed goods,

perhaps also leave larger quantities of surplus yarn for the use of the hand-looms. This surplus mill-spun yarn of fairly high counts can be substituted by such of the hand-looms which at present use fine foreign yarn and which cannot easily adapt themselves to the use of coarse hand-spun yarn. The output of spinning wheels should also be increased in order to meet the demand of hand-looms which may not be able to depend on the supply of yarn by the mills, as they may consume their own yarn for manufacturing cloth on the power-looms. It is safe, however, if the hand-looms depend on the increased production of yarn from the *Charkhas*.

40", due to shortage of wide-reed space looms. No statistics of width of imported cloth. Investigation necessary. *Vide* foot note no. 26.

As pointed out in a previous paragraph, if 2 crores of spinning wheels were at work and turned out 25 lbs. of yarn annually, that would solve our problem. In 1926, 50 lakhs of *Charkhas* were found working, and the estimates of the average quantity of yarn turned out per spindle per year were 48 lbs.

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if double-shifts are worked, I am not sure whether the mills would be able to produce the width of the bulk of goods now being imported. A large proportion of this is over 40" wide and perhaps, there will be a dearth of wide-reed space looms in mills in Bombay and up-country centres. The Bombay Millowners' Association should investigate whether we have enough wide-reed space looms. It is unfortunate that no statistics are being kept relating to the width of the various types of cloth imported. I would strongly suggest to the Government of India the necessity of compiling such statistics in the future in order to enable the people to have an idea of this matter. The hand-looms would perhaps be able to manufacture cloth of wide-width with a view to replace the imported goods of wide width.

and 25 lbs. Even assuming the lower estimate of production(27) for the future, if we can bring into use 2 crores of *Charkhas* (and this can be done at a very small cost—one *Charkha* costing about Rs. 3/- only), a supplemental occupation will be provided to 2 crores of spinners, and this will also give work to about 15 lakhs of weavers.

Reasons why hand-loom should not remain dependent on mills for supply of yarn.

47. As observed in a previous paragraph, hand-loom are very largely dependent at the present time on the mills for the supply of yarn to them. The advantages that would result to the hand-loom weavers if they abandoned the use of mill-spun yarn were also pointed out in a previous paragraph. It would be useful to recapitulate here the fact that the mills are "also a rival weaver of cloth and well aware of it". They cannot afford to supply yarn to the hand-loom weaving industry to an unlimited extent. It will be quite easy to understand that any system of production that depends for its supply on a rival system can only continue its existence on the latter's sufferance. As hand-loom weaving in India becomes more and more popular and as the production of *Khaddar* increases, it is not at all unlikely that the mills will feel that the hand-loom are competing

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(27) It is also necessary to increase the efficiency of *Charkhas*. I congratulate the All India Spinners' Association for announcing a very handsome prize of Rs. 1 lakh to the person who submits the best design for an efficient *Charkha*. Within the means of the ordinary people. It is an excellent step in the right direction.

with them. The moment the mills get that feeling, it will not be difficult for them either to curtail the supply of yarn to the hand-looms, or to increase the price of yarn in order to throw the weavers out of employment, or to make it unremunerative for them to manufacture cloth. It is therefore greatly desirable that the hand-looms should not remain necessarily dependent upon and at the mercy of the mills for the supply of yarn to them. They should depend upon hand-spinning which is capable of immediate and limitless extension, for the supply of yarn to them. Hand-weaving and hand-spinning have to sail together as the status of one depends on that of the other. *Hand-loom weaving pre-supposes for its existence that of hand-spinning.* Hand-spinning and hand-weaving are mutually complementary. *They stand or fall together.* If hand-spinning does not come to the aid of hand-looms, the weavers may be starved. A spinning wheel in every home and a colony or group of hand-looms in every village should be the formula of the new dispensation in India.

Hand-looms should depend on hand-spinning which is capable of limitless extension.

Hand-loom presupposes the Charkha.

A spinning wheel in every home and a group of looms in every village formula of new dispensation.

It is true that the hand-weavers at the present time prefer to use mill-spun yarn but this is due largely to the fact that we have not yet reached perfection in the production of hand-spun yarn in order to attract them to the use of it.

Improvement  
in hand-spun  
yarn evident.

There is no doubt, however, that there is a steady improvement in the quality of yarn during the last few years. Whereas six years ago, yarn of high counts was a rarity, not only Andhra & Madras but even Behar and Bengal now produce fine yarn. All this shows that with a little more experience and practice, our spinners will be able to revive their tradition of fine spinning and may once again produce yarn like the yarn produced in Dacca and other centres, which was the envy of the world and the quality and utility of which were acknowledged to be superior to machine-yarn.

As the spinners get more practice and are accustomed again to spinning regularly, and as they begin to perform themselves all the preliminary processes, *e. g.*, ginning, carding etc., and as they also begin to stock their own cotton, there is not the least doubt that the quality of their yarn will improve and be found attractive to the weavers.

In regard to the excellence of the quality of the yarn turned out by the weavers we have the observation of Dr. Ure made in the year 1830, *i.e.*, exactly 100 years ago. He said :—

Excellence  
of hand-spun  
yarn in  
1830. 4 miles  
length  
of thread  
from one  
rupee-weight  
of cotton.

“Yarn continues to be spun and muslins to be manufactured at Dacca, to which European ingenuity can afford no parallel, such indeed as had led a competent judge to say, it is beyond his conception, how this yarn, greatly finer than

the highest number made in England can be spun by the distaff and spindle or woven afterwards by any machinery. A person expert at spinning can form a thread upwards of 4 miles in length from one rupee weight of cotton."

No parallel in European ingenuity.

48. Due to the growing feeling of the people for putting on *Swadeshi* cloth, it will be easy for the hand-loom products to find a ready market for their goods inside the country. His Excellency the Viceroy, Lord Irwin, stated in May 1930, while promulgating an Ordinance against picketing, (28) that *it is perfectly legitimate for any person to urge the use of Indian goods to the utmost extent of which the Indian industry is capable*. Nay, it is the bounden duty of the people, to use the cloth manufactured in India, even at a sacrifice of taste, convenience and money, and to forego the requirements of cloth which are at present supplied by foreign countries as much as possible and as far as possible. It is equally essential that the people should patronize more particularly *Khaddar*, i. e., cloth manufactured on hand-looms out of hand-spun yarn inasmuch as it provides work and wages to a large number of people and is

The Picketing Ordinance of 1930.

Encouragement of *Khaddar* by the people, a laudable desire. It provides work and income to millions of poor people.

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(28) Thousands of people were sent to jail in 1930 and 1931 by the Government, for the breach of this ordinance, against picketing of foreign cloth. Mahatma Gandhi observed in a press interview immediately after his release from the Yerrowada Central Prison, in January 1931, that peaceful picketing against foreign cloth will continue, even after India gets Swaraj. Peaceful picketing is a legitimate method of persuasion and cannot be objected to by any rational Government.

Hand-loom  
should  
take to the  
use of  
hand-spun  
yarn, and  
thus promote  
hand-  
spinning.

instrumental in making an addition, however meagre, to their small income. For the various reasons stated above, the hand-loom weavers should depend on the use of hand-spun yarn for making cloth, for, it cannot be gainsaid, that the people support hand-woven products, even at a sacrifice of taste or money, out of consideration of the general employment it will create for a large number of people in spinning, and the supplemental income it will bring to them. As the movement for hand-spinning becomes stable, and progressive, all the weavers will find a respectable living, and will not have to be afraid of any competition whatsoever.

Price not  
the sole  
criterion  
of sale of  
*Khaddar* ;  
sentiment  
plays a part.

49. It must also be admitted that price is not the sole criterion for the sale of *Khaddar*. (29) Sentiment, taste, feeling for the poor, custom, fashion, conformity to tradition often prevail over cheapness. There used to be some doubt as to whether people in India would prefer to pay, out of sentiment, a little higher price for hand-woven goods than for mill-made goods and whether the prevalence

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(29) In an article on "The present status of the cotton textile industry" in the issue of the International Labour Review for October, 1930, Dr. E. B. Dietrich quoted Sir Earnest Thompson to the following effect :—In India there is little discrimination with regard to quality, and price is the determining quality". This is true to a considerable extent, and is due to the poverty of the people who are obliged to purchase even inferior articles if their initial price is low. Mr. V. A. Talcherkar also complains of the same thing. But a feeling is certainly growing at least in the minds of the people in the towns and cities that hand-woven cloth should be preferred, even at a little higher price. This is due partly to sentiment, partly to the fact that the people in the cities can afford to bear a little higher price, and partly to the growing appreciation of the lasting qualities of hand-woven cloth.

of such a sentiment was within the realm of possibilities and of "practical economics." But it is a very common experience these days that the people are prepared to pay a little more price for Khaddar, out of sentiment. Even though the price of hand-loom cloth is in the initial stages a little higher than mill-made cloth, the people should encourage hand-loom weaving by purchasing such cloth, in appreciation of the fact that the only way in which the poor millions of this country can be helped, is by providing work for them when they are idle and that this can be done by engaging their services in a supplemental industry like spinning. The development of the hand-loom weaving industry will, in turn, also encourage other industries in the villages, *e.g.*, spinning, dyeing, ginning, carding etc. Besides, the fact cannot be ignored that it would not be possible for the agriculturists except when they are in the lowest extremity, to go in search of work outside, and the only method of bringing about an amelioration in their condition seems to be to place some work within their reach in their villages. Hand-spinning and hand-weaving are industries best calculated to do this in India. They are mutually complementary, and as pointed out above, they stand or fall together. No country can ever hope to be prosperous if the majority of its population were idle for

Hand-loom weaving and hand-spinning mutually complementary.

No country can be prosperous if the majority of its population is idle, for six months in a year.

Spinning  
provides a  
practical  
supple-  
mentary  
occupation for  
the masses.

6 months in a year as in India, and it is therefore absolutely essential that some work should be provided for them. Spinning, for example, is an illustration of a practical supplementary occupation that can be offered to the vast masses of the population. It is not intended to be the sole occupation for any class of people ; it is not intended that it should compete with or displace any existing type of industry. There is no meaning in comparing the earnings out of spinning with those derived from other occupations and declaring them to be too meagre. Its sole recommendation is that it is a supplementary occupation, which utilises the idle periods of the cultivators' life, when he has no other remunerative employment.(30) It does not require any capital or costly implements, nor any

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(30). "In order to understand properly what the Charkha movement means, one must first have a clear idea of all that it does not mean. For instance, hand-spinning does not, it is not intended that it should, —compete with, in order to displace, any existing type of industry ; it does not aim at withdrawing a single able-bodied person, who can otherwise find a more remunerative occupation, from his work. To compare, therefore the remuneration that hand-spinning offers with the earnings offered by any other occupation, to measure its economic value in terms of returns and dividends can only serve to mislead. In a word, hand-spinning does not claim to satisfy the economics of 'getting rich'. The sole claim advanced on its behalf is that it alone offers an immediate, practicable, and permanent solution of that problem of problems that confronts India, *viz.*, the enforced idleness for nearly six months in the year of an overwhelming majority of India's population, owing to lack of a suitable supplementary occupation to agriculture and the chronic starvation of the masses that results therefrom. There would be no place for the spinning wheel in the national life of India, comparatively small as the remuneration that can be derived from it is, if these two factors were not there. A proper appraisalment of the economic value of the Charkha would, therefore involve a consideration of the almost incredible poverty of the Indian masses, and partly of its causes, inasmuch as the remedy is to be sought in the removal of the causes."—An article by Mahatma Gandhi, in *Young India*, October 21st and 29th, 1926.

high degree of skill or intelligence, provides work in the very cottages of the peasants, is the backbone as much of the hand-weaver as of the agriculturists, and its revival would give a fillip to a host of allied village occupations and thus rescue the villages from the state of decay into which they have fallen.

50. Dr. Harold Mann, formerly the Director of Agriculture in the Bombay Presidency, stated in an interview on the eve of his retirement three years ago, that whatever may be said of Mahatma Gandhi's plans and policies in other directions, he had undoubtedly penetrated into the secret of the poverty of India when he advocated the spinning wheel, even though it added only one or two annas per day to the income of the people. It should not be forgotten that spinning has never been put forward as a principal occupation. It is offered to those who would otherwise waste their time in idleness. It is not meant for any person who has a more remunerative employment.

Mahatmajis' advocacy of spinning wheel shows his penetration into the secret of the poverty of masses. Dr. Harold Mann's opinion.

Any increment, however small, to the average national income of India which to-day is grievously low, is much to be wished for. The poverty of India and the chill penury of the masses of the people has been admitted by various responsible persons and is

Grim poverty of masses in India.

well-known to the people of the country from actual experience (31).

Low national income in India. Any addition to it welcome.  $\frac{1}{3}$ th of this low income is spent on Cotton piece-goods. *Vide* Appendix 1.

51. The average national income of an Indian may be estimated at about Rs. 50/- per year.(32) Any addition, to this small income of the poor millions of this country would be very welcome as it would keep them from starvation and penury and would give them a better standard of living. It should also be borne in mind that one of the best methods at the present time of adding to the productive capacity of the uneducated masses of the country who have to spend long periods of enforced idleness due to want of work, is to universalize the use of the *Charkha*, (which requires no high degree of skill and outlay of capital), and to increase the number of hand-looms to utilise their

(31) Dr. Gilbert Slater of the Madras University says in his introduction to Dr. P. P. Pillai's book on "Economic Conditions in India, 1925"—"Poverty of India is a grim fact."

(32) The gross *per capita* income of India was estimated by Dada-bhai Naoroji at Rs. 20/- in 1871, by Lord Curzon at Rs. 30/- in 1901, by Sir B. N. Sarma in the Council of State at Rs. 86/- for 1921, by Prof. K. T. Shah at Rs. 46/- for 1921, by Sir M. Visweswaraya at Rs. 45/- for 1919 and by Messrs. Shah and Khambata at Rs. 74/- for 1921-22. The gross *per capita* income of an Indian calculated as an average for the years 1900-1922 works out to Rs. 44 $\frac{1}{2}$  (*Vide* Wealth and Taxable capacity of India by Messrs. Shah and Khambata). The Indian Statutory Commission has estimated the *per capita* income of an Indian at Rs. 110/- in 1929. Compare with this the income of other countries in the pre-war period :—

	£.	Rs.
United Kingdom	... 50	750
United States	... 72	1080
Germany	... 30	450
Australia	... 54	810
Canada	... 40	600
Japan	... 6	90
India	... 24	36

output of yarn by weaving it into cloth. The chief aim in reviving hand-spinning and hand-weaving is to utilise the dormant manufacturing power of the nation, mostly in the rural areas.

Labour of the millions of people of this country will thus be monetised and this will surely add to the purchasing power of the people which it is the endeavour of everyone having the interest of the country at heart, to promote.

Labour of people will be monetised by introduction of spinning wheels.

52. As pointed out above, hand-spinning and hand-weaving are admittedly fitted to be industries which can provide a suitable occupation and income to a large section of the poor agriculturists. It should also not be forgotten that in the prosperity of the peasant, (and in this country about 70 per cent. of the people depend on agriculture for their living) lies our strength and amelioration. The *Khaddar* movement which seeks to make India independent of foreign supply of piece-goods and yarn, deserves the strong support of every capitalist, labour leader, merchant, politician, economist and even of Great Britain,(33) as the improvement in the purchasing power of Indians (who constitute

*Khaddar* movement deserves support of every capitalist, merchant, economist, politician, and even of Great Britain.

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(33) In 1929 Mr. Phillip Snowden, Chancellor of Exchequer of Great Britain remarked that if the purchasing power of India is increased by 6 shillings or roughly Rs. 4/- it would relieve the unemployment problem of Great Britain because being a huge country that India is of 80 million people, any little addition to her average national income would mean a huge total purchasing power.

nearly one-fifth of the world's population) will give a fillip to the industries of the world which are to-day in a depressed state. I hope that this monograph will induce every person, who feels sincerely for the country, to support the hand-spinning and hand-loom weaving industries of India—industries which provide occupation at the door of the cultivators, reduce the acute unemployment problem, help to make India independent of foreign countries in regard to the supply of the cloth required by her, and at the same time provide additional income to the masses, which in turn is calculated to benefit not only the industries of this country but also of other countries of the world.

Request to  
people to  
patronize  
*Khaddar*, and  
*Swadeshi*  
cloth.

Too much  
sizing in mill-  
cloth. *Vide*  
Footnote 34.

53. I cherish the hope that the people of the country will, as long as it is necessary to do so, put restraint on their taste, and voluntarily resolve to patronize *Khaddar*, i.e., hand-woven cloth made out of hand-spun yarn, in appreciation of the numerous social, economic and other advantages to the masses of this country, and where that is not possible, to use cloth made by the hand-looms from Indian mill-made yarn or to use cloth(34)

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(34) An important direction in which it is necessary for the mills to make improvement in the manufacture of cloth is in the reduction of the size that is added to the cloth. The annual expenditure of the mills amounting to a few crores of rupees of sizing materials imported from abroad is an avoidable item of expenditure in as much as it is unnecessary and wasteful, because the size quickly disappears in washing and is responsible, to a certain extent, for the production of an inferior quality of goods. The mills should stop this unnecessary drain of India's money by discontinuing as much as possible the use of heavily

made by the *Swadeshi* mills(35), from yarn manufactured by them. By doing so, they will be promoting a great national industry which has kept up its head

Congress and *Swadeshi* mills: *vide* footnote 35.

Artificial silk yarn should be banned—destroys Indian sericulture—*vide* footnote 35.

sized cloth and instead by engaging their attention in the improvement of the quality of their manufactures. I would urge the people to refrain from using heavily sized un-bleached goods, as by doing so they would be making a substantial contribution to the boycott movement. I would request the millowners to stop the manufacture and sale of cloth involving any more than the barest minimum use of sizing materials. The people should purchase as far as possible only bleached goods and if they do so for some time they will get a better quality of cloth as the ultimate control of production of the mill-owners rests in their hands as consumers. Once the demand for heavily sized cloth decreases, the millowners will automatically cease producing heavily sized cloth.

(35) The Indian National Congress has made a general appeal to the public to use cloth manufactured by *Swadeshi* mills only. By *Swadeshi* mills, are meant those mills as have Indian capital, and Indian management and control and comply with certain conditions laid down by the Congress. There are, however, several mills in India which have largely foreign capital, management and control. In order that these latter mills may not unnecessarily suffer, the Indian National Congress has laid down certain conditions on the fulfilment of which the ban on their products is removed. These conditions comprise, *inter alios*, provision of a majority of Indians on the Directorate, abstention from the use of foreign yarn, whether cotton, real or artificial silk; passing of Insurance, Shipping, Banking, Audit, Legal and Buying and Selling business to Indian agencies, wherever possible; abstention from selling foreign cloth in India; Indianization of the staff; use of Indian materials wherever possible, etc., etc. All mills have not yet complied with all of these conditions.

Till February 1931, over 200 mills whose aggregate capital amounts to over Rs. 40 crores, have accepted the Congress conditions or made settlement with the Congress. The goods of these mills sell easily while the goods of the mills which are on the boycott list of the Congress do not sell freely, owing to the Congress ban and picketing against them. It is expected that these latter mills will also join the former category before long by complying with the Congress conditions. Negotiations are proceeding.

There are about 65 mills that have not expressed their agreement to the abstention of use of artificial silk in their products, which is one of the conditions laid down by the Congress. These mills do not see any objection to the use of artificial silk yarn in India, especially because no artificial silk yarn is being manufactured in India. They contend that such artificial silk yarn does not compete with similar Indian product. The arguments against the use of artificial silk yarn and goods are given fully in paragraphs 25, 26 and 27. The country does not want to see the present menace of foreign cotton yarn being substituted by such artificial silk yarn and this is sure to happen in course of time, if its use is not banned.

(Continued)

Indian cotton industry greatly handicapped by Government in the past. *Vide* Appendix II.

Growth hampered by tariff legislation which is neither fair nor equitable. *Vide* footnote 37.

high till the present day, inspite of heavy odds and handicaps placed in its way by the British Government in India or in Great Britain, (36) by imposing prohibitive duties on imports of Indian piecegoods in Great Britian; by facilitating the import of British cloth in India by giving it special facilities, *e.g.*, reduction of duties etc.; and in recent years, by closing of the mints to the coinage of silver in 1893; by imposing a tax on silver in 1910; by levying an unjustifiable Excise Duty on the goods woven in the mills for a period of nearly 30 years; by appreciating the Exchange Ratio to 2s. in 1920 and again to 1s. 6d. in 1927 and thus frittering away the gold resources of the country; by contraction of currency for maintaining the Exchange at any cost; by starving the industry of protection against foreign competition; and by granting it even meagre protection, after considerable delay and after great harm and losses had been suffered by

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There is another very cogent argument against the use of such foreign artificial silk yarn. The cheapness of the imported artificial silk yarn as compared with our silk yarn, adversely affects the Sericulture Industry of India, and this constitutes therefore, an additional serious reason for its use being banned. Negotiations are still proceeding with these mills. I hope they will realise the strength of the arguments against the use of foreign artificial silk yarn, if only for according protection to Indian sericulture, and agree to give up its use, in future. The handlooms likewise will have to give up completely the use of such yarn, if their products are not to be banned by the public.

(36) *Vide* Appendix II, Landmarks of the Policy of the British Government in India or in Great Britain, in regard to the cotton industry of India, and the author's book on "Indian Cotton Textile Industry—its past, present and future", 1930.

the industry (37) and even when the assistance was given, by giving it to an extent which could hardly prove adequate for the industry which was in a very parlous and depressed state, and, what is more, in a form in which the interests of Manchester were sought to be safeguarded, at least to the same extent as, if not more than, the Indian interests, *i.e.* by introducing the scheme of Imperial Preference in the Cotton Textile Industry (Protection) Act, 1930 which was passed on the 4th April, 1930, by which cotton piecegoods of British manufacture were to be subjected to a lower duty than goods belonging to other foreign countries.(38)

Imperial  
Preference  
introduced in  
1930. (*Vide*  
Appendix II.)

(37) *Vide* the scathing remarks made by the Bombay Millowners Association (this is a body consisting of both European and Indian Members) in para 14 of their written evidence before the Indian Tariff Board in 1926-

"No assistance has ever been rendered by Government to the industry to foster its growth and development on sound and healthy lines. On the contrary, the Government has generally pursued a policy calculated to hamper the growth of the industry by introducing tariff legislation which was neither fair nor equitable and which was in the highest degree prejudicial to the best interests of the industry."

(38) There has always been a strong opposition in the country to the introduction of Imperial Preference by which India stands to gain nothing. The Indian Fiscal Commission expressed in 1921 their opinion that India could not grant anything of great value without imposing a serious burden on herself and it would not be reasonable for India to incur such a burden. In the year 1930, the principle of *discriminating protection* was applied to the Indian cotton industry for the first time in Indian history. The Bill introduced in the Assembly sought to impose a protective duty, on the foreign cotton manufactures, in order to accord protection to the Indian cotton industry. The protection proposed in the bill was very inadequate and was also coupled with the objectionable proposal of Imperial Preference. It was not possible, however, to reject this bill because the Government had made it clear that if the scheme of preferential lower duties on the piecegoods of British origin was amended or deleted from the bill, the cotton industry would have to go without any protection at all. Thus the bill was passed in the form in which it was acceptable to the Government, owing to this impending threat of no protection being given to the industry, if any amendment not acceptable to the Government was passed. It can hardly be said, therefore, that the Bill was passed with the free vote of the members of the Assembly.

Duty of all  
to restore  
Indian Cotton  
Industry  
to prosperity  
by voluntary  
resolve to  
patronize  
*Khaddar*.

It is the sacred duty of all persons having the welfare of the country at heart to contribute their quota towards the development of the Indian Cotton Industry in order to make India completely independent of foreign sources for the supply of cloth required by her and to provide work for an overwhelming majority of India's population who have to spend long periods of enforced idleness in absence of a suitable supplementary occupation. The best and most practical method in which the people can help the industry is by a voluntary resolve on their part to extend their patronage to *Khaddar* i.e. hand-woven cloth made out of hand-spun yarn, even at a sacrifice of taste, convenience and money, and where that is not possible, at least to cloth which is *Swadeshi*, i.e., made inside the country.

## APPENDIX I

### *Estimate of the per capita expenditure on cotton piecegoods in India.*

I am not aware of any endeavour having been made so far to find out the total annual expenditure on cotton piecegoods in this country, by the people of the country. What I mean is that no attempt has yet been made of estimating the total value(1) of cotton piecegoods consumed in India per annum. I am fully aware of the fact that there are several difficulties in making such an estimate. It would still be useful and instructive inasmuch as it will give us a rough, and at the same time fairly correct, idea of the total annual expenditure of the people on clothing. I have adopted the following method for arriving at this estimate.

Total annual  
per capita  
expenditure  
on cloth.

Method  
adopted for  
estimating  
total annual  
per capita  
expenditure.

2. The figures of the value of the nett imports, that is (imports minus re-exports) of piecegoods from foreign countries are available, since 1921 in Rupees and before that year in Pound Sterling. Similarly the figures of the value of the export of cloth from India are also available. The figures for the years before 1920-21 which are given in Pound Sterling, have been converted by me, after ascertaining the rate of exchange at which they were converted from the rupee values recorded in the bills of entry for the various years, with the Department of Commercial Intelligence & Statistics, Calcutta. The rate of conversion of these figures into Pound Sterling for the years from 1909-10 upto the year 1918-19 was Rs. 15 for £ 1 and for the year 1919-20, Rs. 10 for £ 1. These statistics in Pounds for the years previous to 1920-21 have not been converted into Rupees in any official publication or other work on the subject by

Figures of  
value of  
imports,  
exports, etc.,  
from 1909-10  
onwards.

(1) An estimate has been made for the *per capita* consumption of cloth in yards. *Vide* Table No. 1.

other authors within my knowledge, and I have tried and given these figures in rupees because, I believe that it would give a very suitable and convenient basis for comparison of the figures for the last 20 years.

3. The figures of the total value of the production of Indian Mills are also not available directly as no such statistics were compiled during the years 1908-09 to 1916-17. It is possible, however, to estimate the value of the goods woven in mills from the amount of the total excise duty paid to the Government (at the rate of  $8\frac{1}{2}$  per cent.) on the production of cloth woven in the mills, (and retained in the country), by multiplying the figures of the nett excise duty by  $\frac{200}{70}$ . The figures of the nett excise duty are available in the Brochure on the "Indian Cotton Excise Duty" published by the Bombay Millowners' Association. The excise duty is refunded on the value of goods exported, and the nett figures of the excise duty exclude the amount of the duty paid on these goods once and refunded later at the time of exporting. The value of the exports of cloth should therefore be added to the estimated value of the production of woven goods, because the value of the exported cloth is not included otherwise. This is based on the assumption that all goods exported are mill-made. This assumption is made as it is convenient to do so, and not because it represents the correct position. Hand-loom-products must have formed a part of the export trade of cloth, but our assumption does not make any difference, so far as the result is concerned, because we have also assumed, for reasons given below, the same price for hand-woven goods as for mill-made goods. As we have estimated the value of mill-woven cloth up to the year 1916-17 from the returns of the nett excise duty, we will add the value of exported cloth to the estimated value of mill-made cloth, for those years in order to arrive at the total value of the cloth

No figures available showing value of goods woven in Indian mills.

Calculated on the basis of the figures of the nett excise duty.

manufactured in the country. It must be stated clearly, however, that the figure of the total value arrived at in this manner is not too reliable, as the excise duty on certain kinds of cloth was paid on Tariff Valuation which varied from year to year. The value of cloth woven in the mills estimated from the returns of the excise duty may be perhaps lower than the actual value, because the mills may have declared lower values, for paying less duty, but the difference cannot be very great after all. The figures of the value, estimated on the above basis from the figures of the nett excise duty for the years 1917-18 to 1925-26, differed from the actual value of woven goods in Indian Mills for the years 1917-18 to 1925-26, as given in the Statistical Abstract for British India. As these latter values for the years 1917-18 to 1925-26 were more reliable as they were directly arrived at from the returns of the value of woven goods made by the mills, I have made use of them for these years, instead of depending on the estimated values calculated from the figures of the excise duty.

4. I have adopted the quinquenniums 1917-18 to 1921-22, and 1921-22 to 1925-26 for estimating the total *per capita* expenditure on cloth of this country, as the figures given for these two quinquenniums of the total value of the cloth woven in mills are first-hand and more reliable. From the previous years, for the purpose of comparison, the latest previous quinquennium that is, 1912-13 to 1916-17, has been adopted, with all its defects with respect to the estimate of the value of the goods woven in the Indian Mills, on the basis of the excise duty, as the figures of the average price of Indian mill-made cloth and imported cloth are available for these years in the blue brochure on the Excise Duty published by the Bombay Mill-owners' Association and as this serves as some sort of a check to see that the estimate of the average price per yard of cloth is not very unreal. Besides, it must be remembered that

Selection of  
quinquen-  
niums.

this is the only, and most dependable basis for the calculation of the value of the woven goods in the Indian mills, upto 1917-18, and must be tentatively accepted.

The difficulty of estimating the value of hand-woven cloth.

5. The difficulty still remains of finding out the value of hand-woven cloth in absence of any data or statistics of their prices. The figures of the quantity of hand-woven cloth, manufactured from foreign and mill-made yarn, have been arrived at from the balance of yarn available for hand-loom consumption (*vide* Table No. 1). For estimating the value of the hand-woven cloth for these several years, I consulted several authorities on the subject, and after a very careful consideration of this question I have come to the conclusion, that it will not be very wide of the mark either way, if the figure of the value of hand-loom cloth was arrived at from the figure of its quantity, *on the assumption of the same average price per yard of hand-woven cloth as the average price per yard of Indian mill-made cloth, from year to year.* The figures of the average price in India per yard of Indian mill-made cloth have been arrived at by dividing the nett quantity of Indian mill-made cloth retained inside the country, *i.e.*, after deducting the quantity of exports of cloth from the total production of mill-woven goods, by the nett value of the cloth retained inside the country, *i.e.*, after deducting the value of exports of cloth from the total value of the production of mills. *It has been assumed here, for the sake of convenience, that the export of cloth from India was all of mill-made cloth, as it was difficult to find out how much mill-made and how much hand-woven cloth was exported out of India.* It is necessary to explain here that in arriving at this conclusion of calculating the value of hand-woven goods, on the same basis as the average price per yard of mill-made cloth from year to year, a note was taken of the fact that a considerable portion of the production of hand-looms consisted of fine fabrics, and was sold at a far higher price than the average mill-made cloth. As against

this, there was also the other consideration which has weighed, that a great bulk of the cloth produced on the hand-looms was manufactured from yarn of low counts, and that such coarse cloth must have fetched comparatively low price per yard. *It will therefore, I hope, be generally agreed that it would be safe to convert the yardage figures of hand-woven cloth into value on the same basis as the average price per yard of mill-made cloth from year to year.*

6. For estimating the value of the cotton piecegoods consumed in the country, it will be better for obvious reasons to take an average of the figures for five consecutive years rather than to take the figure every year as varying sizes of stocks of cloth are carried over, from year to year, and this may make a great difference in the result.

Five years  
average  
preferred.

7. It has not been possible to obtain the figures of the value of the Indian mill production for the years after 1926 as the excise duty was abolished in April 1926. Since that date the figures of production of woven goods published under the Cotton Industry (Statistics) Act XX of 1926, are only given in yards and lbs. It would indeed be very useful if the figures of the value of the production of mill-made goods were also compiled by the Department of Commercial Intelligence and Statistics, Calcutta.

No statistics  
of value of  
goods woven  
in mills  
available  
since 1926.

Necessity  
of such  
statistics.

8. The table below gives the value in millions of rupees of nett import of piecegoods, of mill production, of exports, of hand-loom production, the population and the *per capita* expenditure in rupees on cloth. It also shows the quantity of imported, mill-made and hand-woven goods.

Table giving  
statistics of  
*per capita*  
consumption  
etc.



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**TABLE No. 10.**

*Estimate of Per Capita Expenditure on  
Cloth in India (1909-10 to 1925-26).*

Value and quantity of nett imports of  
piecegoods, of mill-production and  
hand-loom production of piece-  
goods, value of exports of  
piecegoods, and of *per*  
*capita* consumption  
of piecegoods from  
1909 to 1925-26.

---

TABLE

*Estimate of Per Capita Expenditure on*

YEAR.	Total value of nett imports of piecegoods.	Total quantity of imported piecegoods. (Re-exports deducted).	Value in rupees of mill produc- tion of goods in India includ- ing Native States.
1	2	3	4
	(Millions of rupees).	(Million yards).	(Millions of rupees).
1909-10 ... ..	328	2070	137
1910-11 ... ..	375	2162	147
1911-12 ... ..	411	2262	161
1912-13 ... ..	517	2847	185
1913-14 ... ..	567	3042	181
1914-15 ... ..	421	2327	162
1915-16 ... ..	353	2019	167
1916-17 ... ..	431	1771	186
1917-18 ... ..	414	1405	270
1918-19 ... ..	436	955	444
1919-20 ... ..	478	836	578
1920-21 ... ..	802	1405	629
1921-22 ... ..	395	980	607
1922-23 ... ..	552	1467	593
1923-24 ... ..	543	1374	528
1924-25 ... ..	670	1710	594
1925-26 ... ..	530	1529	472

N. B.—Up to the year 1916-17, the value was estimated on the basis of minus the refund of excise duty, on the value of goods exported) and the mill-made goods, on the assumption that all exports were of mill-goods were available, from the Statistical Abstract and therefore the has not been estimated on the basis of the figures of the nett excise is not added to these figures for arriving at the figure of the total mill-

No. 10.

*Cloth in India (1909-10 to 1925-26).*

Value of exports of piecegoods.	Total value of Indian mill-made cloth retained in the country (after deducting the value of exports).	Total quantity of Indian mill-made goods (after deducting exports).	Value of Indian mill-made cloth per yard.
5	6	7	8
(Millions of rupees).	(Millions of rupees).	(Million yards).	Rs. As. P.
20	117	838	0 2 2½
22	125	909	0 2 2
19	142	1018	0 2 2½
20	165	1095	0 2 4½
21	160	1034	0 2 5
15	147	1026	0 2 3
24	143	1281	0 1 9
54	132	1269	0 1 7½
55	215	1380	0 2 5½
64	380	1264	0 4 8½
87	491	1401	0 5 7
75	559	1411	0 6 4
74	533	1545	0 5 6
70	523	1539	0 5 5
66	462	1501	0 4 10
68	526	1740	0 4 10
61	411	1790	0 3 8

the nett excise duty (*i.e.*, the excise duty paid on Indian mill-made goods therefore the value of the export of cloth is added to the value of made goods. After 1916-17, the actual value figures of mill-made value of the production of mill cloth for the years 1917-18 to 1925-26 duty by multiplying them by  $\frac{27}{100}$ . Therefore, the value of exports production.

(Continued)

TABLE

*Estimate of Per Capita Expenditure on*

YEAR.	Total quantity of hand-loom woven goods.	Estimated total value of hand-loom goods.	Total value of Indian Mill-made and hand-loom woven goods.
	9	10	11
	(Million yds.).	(Millions of rupees).	(Millions of rupees).
1909-10 ... ..	896	119	219
1910-11 ... ..	908	123	224
1911-12 ... ..	1044	141	261
1912-13 ... ..	1040	151	300
1913-14 ... ..	1068	161	304
1914-15 ... ..	1184	166	295
1915-16 ... ..	1048	114	235
1916-17 ... ..	816	80	177
1917-18 ... ..	812	122	337
1918-19 ... ..	1048	308	688
1919-20 ... ..	564	197	688
1920-21 ... ..	1148	454	1013
1921-22 ... ..	1190	409	942
1922-23 ... ..	1341	454	977
1923-24 ... ..	1005	303	765
1924-25 ... ..	1256	377	903
1925-26 ... ..	1160	265	676

N. B.—For arriving at the total expenditure of the people on cloth, consumers of cloth. It would not be incorrect if we add 20 per cent. Accordingly 20 per cent. has been added in the calculation made in

(1) For the figures of the quantity of cloth consumption, and the

No. 10—(contd.)

*Cloth in India (1909-10 to 1925-26).*

Total value of Indian piecegoods (both mill-made and hand-woven) and imported piecegoods.(1) Addition of columns 2 and 11).	Population.	Per Capita expenditure in Rupees on cloth being 20 per cent. more than the total value in column 12.	Quinquennial average of per capita expenditure on cloth.
12	13	14	15
(Millions of rupees).	(Million).	Rs. As. P.	Rs. As. P.
547	311	2 1 8	} 2 11 8 (1912-13 to 1916-17)
599	313	2 4 7	
672	315	2 8 11	
817	315	3 1 5	
871	316	3 5 0	
716	316	2 11 6	} 4 10 8 (1917-18 to 1921-22)
588	317	2 3 7	
608	317	2 4 9	
751	317	2 13 7	
1124	318	4 3 9	
1166	318	4 6 5	} 5 2 6 (1921-22 to 1925-26)
1815	319	6 13 2	
1337	319	5 0 5	
1529	319	5 12 1	
1308	320	4 14 1	
1573	320	5 9 0	
1206	320	4 9 9	

allowance must be made for the higher retail prices paid by the actual to the total value of the imported cloth and the mill-made cloth. column 14.

*Per Capita* consumption of cloth, in yards, vide Table No. 1.

Average  
per capita  
expenditure  
on cotton  
piecegoods.

9. The calculations in the above table(2) give a rough idea of the total expenditure incurred by the country annually for its requirements of cotton piecegoods. The average figure of the *per capita* expenditure on cloth in rupees per annum during the quinquennium 1912-13 to 1916-17 works out to Rs. 2-11-8 as compared to Rs. 4-10-8 for the quinquennium 1917-18 to 1921-22 and Rs. 5-2-6 for the quinquennium 1921-22 to 1925-26. The figures of the *per capita* consumption of cloth in yards are given in Table No. 1 of this Monograph. A comparison of these figures with that table will be instructive as it will indicate the steady rise in the price of cloth during these years.

Great  
increase in  
expenditure  
during last  
few years.

10. Between the year 1909-10 and 1924-25, the *per capita* expenditure on cloth went up by more than 250 per cent. or if I restrict myself to the use of the figure of quinquennial average, as suggested elsewhere, between quinquenniums 1912-13 to 1916-17 and 1921-22 to 1925-26, the *per capita* expenditure on cloth went up by nearly 160 per cent.

Average  
expenditure  
on cloth  
about  $\frac{1}{5}$ th  
of average  
annual  
income.

11. The figure of the *per capita* expenditure for the last year, *i.e.*, 1925-26 also makes one reflect that an individual in India has to spend on the average as much as Rs. 5-9-0 per annum for his clothing from his meagre average income of Rs. 50/-per annum. It would confer a great benefit on the Indian industries if all the money now spent on purchasing foreign cloth were retained inside the country, by the manufacture of cloth at home.

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(2) Nobody is more aware than the author of the inaccuracies that there may be in the above method of estimation of the total expenditure of the country on cotton piecegoods especially for the years before 1917-18, but the estimate has been made and put forward in the hope that it will inspire some person intimately acquainted with the industry to think about the matter and to suggest a better and more reliable method, if any, of estimating with greater preciseness the *per capita* expenditure of the country on cloth. I shall be glad if any reader would inform me of any better method for such estimation.

## APPENDIX II

### *Landmarks of the policy of the British Government, in India, or in Great Britain, in regard to the Cotton Industry of India.*

- 1700 : (William III, Chapter X, Act 11 and 12). An Act was passed prohibiting the importation of printed calicoes from India.

This led to the importation of plain calicoes from India to be printed in England.

Therefore

- 1721 : (George I. C. 1). An Act was passed prohibiting the use and wear of printed calicoes, and prohibiting a penalty of £5 for each offence on the wearer and of £20 on the seller of such goods.
- 1774 : (George III. C. 72). The Parliament laid down that cotton goods for sale in England should be made wholly from cotton spun and woven in the country (*i.e.*, England). Unless for exportation, the import of Indian-made goods was not permitted.
- 1797-1813 : Levy of duties in Great Britain ranging as high as 85 per cent. on white calicoes, muslins, and the total prohibition of dyed and printed goods.
- 1823 : Levy of inland duty on Indian piecegoods at  $7\frac{1}{2}$  per cent. till 1823 when it was reduced to  $2\frac{1}{2}$  per cent., while the imports of piecegoods from Great Britain were charged a duty of only  $2\frac{1}{2}$  per cent. .

*This had the desired effect of stimulating imports of piecegoods from Great Britain and the decline of the Indian Industry.*

1825-1832 : Imposition of 10 per cent. *ad valorem* duty on Indian goods in Great Britain.

1835 : Levy of  $2\frac{1}{2}$  per cent. import duty on cotton goods in India.

1843 : Levy of heavy transit duties on Indian goods in India, amounting to  $17\frac{1}{2}$  per cent.

1846 : Repeal of the 10 per cent. duty in Great Britain.

1859 : Imposition of a general import duty in India of 10 per cent. *ad valorem*, including piecegoods, cotton twist only being subject to 5 per cent.

1860 : Duty on twist and yarn raised from 5 per cent. to 10 per cent. *ad valorem* on the representation of the European Chambers of Commerce in India.

*They observed in their representation, inter alia, "that the lower duty on the import of cotton yarn would promote the Indian cotton industry with a corresponding detriment to the British industry." (Evidently this refers to hand-looms).*

1861 : Import duty on cotton yarn reduced to 5 per cent., as the spinning mills began to grow and as it was thought that 10 per cent. would give protection to the mills. The reduction of duty on yarn was certainly of advantage to the hand-looms but the consideration of reducing the duty was the danger of the growth of spinning mills under this protection.

- 1862 : Import duty on cotton yarn reduced to  $3\frac{1}{2}$  per cent., and import duty on cotton piece-goods reduced to 5 per cent.

*(The Lieutenant Governor of Bengal recorded his opinion that a 10 per cent. duty on imported manufactures is one of the legitimate sources of revenue, but Mr. Samuel Laing, the Finance Member, was in favour of reducing it, for "The duty injuriously affected the interests of British manufactures and commerce".)*

- 1871 : Import duty on piecegoods 5 per cent. and twist and yarn  $3\frac{1}{2}$  per cent. Export Duty on cotton piecegoods of Indian manufacture 3 per cent.

#### **"Cotton Duties Controversy"**

- 1875 : Tariff Valuation of imports of cotton goods lowered at the request of the Manchester Chamber of Commerce (total duty diminished by £88,000).
- 1875 : 5 per cent. duty imposed on import of Egyptian and American cotton in India, to prevent India from importing such superior cotton and competing with Manchester in her fine goods.
- 1878 : Import duty on raw cotton removed, exemption of coarse cotton goods from import duty. Sacrifice of revenue of more than a million pounds sterling.

#### **"Adoption of free trade."**

- 1882 : Triumph of free trade, import duty on cotton piecegoods and yarn abolished in India.

- 1893 : Closing of the mints to silver, which dislocated the Indian yarn trade with China and Japan.
- 1894 : Import duty of 5 per cent. *ad valorem* on imports of cotton piecegoods, import duty of 5 per cent. *ad valorem* on cotton yarn of counts above 20, and 5 per cent. *ad valorem* excise duty on all machine-made cotton yarn of counts above 20 manufactured in India.

### Imposition of the obnoxious and iniquitous Excise Duty.

- 1896 : Rate of import duty on cloth reduced to  $3\frac{1}{2}$  per cent.

(1) All woven goods *both imported and manufactured* in India were to be taxed at the uniform rate of  $3\frac{1}{2}$  per cent. instead of 5 per cent.

(2) All yarn imported or manufactured in India to be free from duty.

- 1910 : Enhancement of the duty on silver in 1910 by the Government of India which was detrimental to the trade with the Far East. The use of Indian yarn in China was displaced by Japanese yarn.

### War period—1914 and after.

General tariff raised from 5 to  $7\frac{1}{2}$  per cent, tho duty on cotton manufactures remaining the same ( $3\frac{1}{2}\%$ ).

- 1917-18 : Import Duty on cotton manufactures raised from  $3\frac{1}{2}$  per cent. to  $7\frac{1}{2}$  per cent. Excise Duty remaining at  $3\frac{1}{2}$  per cent.

1920 : Rupee-Pound ratio fixed at 2s. per rupee in the teeth of strong opposition and the maintenance of which led to the frittering away of Gold Assets worth Rs. 78 crores. The ratio could not be maintained and ultimately the Government threw their hands up in despair in 1924 and abandoned the attempt.

1921-22 : Owing to a deficit in the budget, General Import Duty raised to 11 per cent. import duty on cotton piecegoods raised from  $7\frac{1}{2}$  per cent. to 11 per cent., Excise Duty remaining at  $3\frac{1}{2}$  per cent.  $2\frac{1}{2}$  per cent. import duty imposed on mill machinery and stores used in spinning and weaving.

1922-23 : General tariff raised to 15 per cent., import duty on cotton remaining at 11 per cent. and the Excise Duty at  $3\frac{1}{2}$  per cent. Duty on machinery also at  $2\frac{1}{2}$  per cent.

1922-23 : Duty of 5 per cent. imposed on imports of cotton yarn.

1925-26 : Suspension of the notorious Excise Duty which was levied from the year 1896 onwards, with effect from the 1st December 1925, and its total abolition in 1926. This duty was imposed at the behest of Lancashire and was continued in spite of strong opposition from all quarters. The Excise Duty was "unreservedly condemned" by the Indian Fiscal Commission, in 1921-22.

**Total Excise Duty Levied on Indian Mill-Made Goods  
From 1896-97 to 1925-26 Amounted to  
Rs. 22, 28, 39, 150.**

1927 : Fixation of the Exchange Ratio at 1s. 6d. by obtaining a majority of the votes in the

Assembly. In their attempt to maintain it, at any cost, Government have had to resort to artificial contraction and manipulation of currency. Loss of Gold Assets frittered away for maintaining exchange at 1s. 6d. between April 1926 and November 15, 1930, amounted to 33 crores of rupees. The fixing of the ratio at this high level very adversely affected the industries of India, as it virtually conferred a bounty on the foreign manufacturers at the expense of the Indian industrialists.

1927 : In the middle of 1927, the Report of the Tariff Board appointed to examine the question of granting protection to the cotton textile industry was published, along with the Government's Resolution on the subject. The Government took no action on the Report. After many appeals, Government re-considered the matter and were pleased to impose on imports of cotton yarn, in September 1927, a duty of 5 per cent. or 1½ anna per lb. whichever was higher. This was a very halting measure and hardly proved of any assistance, except perhaps to the spinning mills.

1930 : Duty on yarn continued till 31st March 1933.

1930 : After several years of continued appeals(1) by the Bombay and the Ahmedabad Mill-owners' Associations for the grant of protection

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(1) *Vide* the following extract from the application of the Bombay Mill-owners' Association to the Indian Tariff Board, dated 17th July 1926 :

"No assistance has ever been rendered by Government to the industry to foster its growth and development on sound and healthy lines. On the contrary, the Government has generally pursued a policy calculated to hamper the growth of the industry by introducing tariff legislation which was neither fair nor equitable and which was in the highest degree prejudicial to the best interests of the industry."

to the cotton textile industry which was in the throes of acute depression since 1923, and which suffered immense losses, during the period,(2) the Government of India passed an Act in April 1930, by which they increased the revenue duty on imports of cotton piecegoods from 11 per cent. to 15 per cent. generally, and imposed in addition a further 5 per cent. protective duty on piecegoods not of British manufacture, with a minimum of 3½ annas per lb. on plain grey goods irrespective of the country of origin.

### INTRODUCTION OF IMPERIAL PREFERENCE(3)

(To which the country is strongly opposed) calculated to confer an advantage of between 1½ and 2 crores Rs. on Lancashire.(4)

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(2) *Vide* The Indian Cotton Textile Industry—its past, present and future, by the author, published in 1930.

(3) *Vide* the Report of the Indian Fiscal Commission, 1921, the Debates in the Legislative Assembly, and also pp. 155-56 of "Modern Economics of Indian Taxation", by the author. This book, which is the Sir Manubhai Mehta Prize-essay of 1924, is published in Gujarati, by the Baroda Sahitya Sabha, in 1925.

(4) *Vide* the Debates in the Legislative Assembly, on the Bill in March 1930, especially the speech of Mr. G. D. Birla, and Pandit Madan Mohan Malaviya.



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# INDEX

(Reference is to paragraphs.)

- Artificial Silk**—imports of, 25.  
—should be banned 26.
- Baines**, quoted, 3
- Banking Enquiry Committee**, Bombay Provincial, Emphasizing the necessity of freeing the poor weavers from money-lenders, 33.
- Bell, Mr. R. D.**—on the Cotton Textile Industry of India, Table No. 1 (F.N.)  
—on competition of hand-loom with mills, 16.  
—estimate of production of cloth from 1 lb. of yarn—40 (F. N.)
- Bombay Mill-owners' Association**  
—on competition of hand-loom and mills, 16.  
—written statement before the Fiscal Commission, 16.
- Boycott Movement**—  
—curtailed imports of cotton piecegoods 26.  
—success of, 36.
- British Government**—  
—Landmarks of the policy of, in regard to the cotton industry of India, App. II.
- Charka or the spinning wheel**—  
—superior yarn is possible from it, 18.  
—help for producing enough yarn, 40.  
—over 50 lakhs are working in India, 41.  
—number of, required for producing adequate yarn for India, 41.
- Chatterton, Mr. Alfred**—quoted, 20.  
—on competition of hand-loom and power-loom. 14.
- Cloth, per capita consumption**, 11 (also App. 1 and Table 10).  
—foreign, boycott of, 23.  
—and yarn, consumption of, Table No. 1.
- Competition of hand-loom with mills**, 16.
- Congress, Indian National**,—  
—*Swadeshi* and boycott of mills, 53 (F.N.)  
—ban on artificial silk yarn, 53 (F. N.)
- Cotton duties controversy**—App. II.
- Cotton** —production of India, 30.  
—consumption „ 30.  
—Export from India, 30.  
—Imports, Raw, 30.  
„ manufactured 11.  
„ piecegoods 11.  
„ Twist and yarn, Table No. 2.  
—Statistics of 20 years, 33.  
„ —long-stapled, import advisable, 30.
- Counts of yarn**—various counts imported, Table 8.
- Darcy Lindsay**, Quoted, 5 (F.N.)
- Dutt, Mr. R. C.**—Quoted, 5
- Erasmus Wilson**—hand-spun yarn is stronger than machine-spun, 18.
- Excise duty**, imposition of, App. II.
- Fly-shuttle Looms**—introduction of, 20.
- Free-trade**, adoption of, App. II.
- Gadgil, Mr. D. R.**—on the middlemen, 33 (F.N.)

- Gandhi, Mahatma—on the superiority of hand-spun yarn, 18 (F.N.)
- on self-spinning, 9.
  - Movement for hand-spinning, 41.
  - on Takli and Charkha, 41.
  - Import of long-stapled cotton recommended, 30 (F.N.)
- Gandhi, Mr. M. P.—quoted, 1 (F.N.)
- quoted, 5 (F.N.)
- Hamilton, Sir Daniel—on competition of hand-looms with power-looms, 14.
- Hand-looms—Census, of 35.
- number in different provinces of India (Table 6).
- Hand-loom industry—
- its unique position, 4.
  - causes of decline, 5 also App. II
  - production, statistics, 11.
  - cloth not dearer than mill-made, 17.
  - products, protection in various ways, 31.
  - advantages over power-looms 14
- Hand-loom weaving—Importance of, up to 1909, 6.
- decline after 1909, 7.
  - largest and most widespread in India, 8.
- Hand-loom Weavers—classification, 32.
- their present difficulty, 32.
  - instances of cutting of thumbs of, 5.
  - sympathy by the Bombay Provincial Banking Enquiry Committee, 33.
  - methods of helping them, 31.
  - suggestions for the improvement, 34.
- Hand-spinning—provides additional income to the masses 49.
- best universal supplementary occupation, 49.
  - backbone of the weavers, 51
- Hand-spinning and the Charkha
- boycott through Charkha 37
- Mills compared with—
- voluntary spinning, 16.
- Hand-weaving—improvements of, 19.
- its future, 13.
- Hand-woven cloth—speciality, 18.
- Hand-looms and Mills—competition between, 16.
- Imperial Preference—introduction of, 53
- Imports—Cotton Raw, 30
- „ manufactured, Value of Table 9, quantity, Table 1.
  - „ piecegoods Value of Table 9, quantity, Table 1.
  - „ twist and yarn Value of Table 9, quantity, Table 1.
  - „ Raw and manufactured Table No. 1
  - affected by the boycott movement 26.
  - piece-goods from Japan and United Kingdom, Value of, Table 9.
- India—birth-place of cotton industry of the world 1.
- Indian Central Cotton Committee—estimate of warp and weft yarn 42(F.N.)
- Japan—piecegoods imported from, Table 8.
- Khaddar—ways of encouraging 31.
- people should patronize 53
  - adds to the national income 13.
- Landmarks of the policy of the British Government in India or in Great Britain in regard to cotton industry—Appendix II.

Mann, Mr. J. A.—quoted 1 (F.N.)

Mehta, Messrs. Chunilal & Co.—private estimate of cotton crop 30(F.N.)

„ Mr. P. N.—on middlemen, 3 (F.N.)

Mercerized yarn, use of, 25.

Mills—introduction of, 5.

„ —production of yarn, statistics Table No. 2.

— „ of cloth „ 11.

—competition with Lancashire cloth 43.

—fine spinning and weaving recommended, 43.

Mookerjee, Dr. Radhakamal—competition of hand-loom and mills 16.

Muslins—nomenclature of 3, 47.

Pearse, Mr. Arno S.—on the birth-place of cotton industry 1(F.N.), 18.

—statistics of charka and hand-loom 10(F.N.)

—competition of foreign cloth with Indian cloth 42 (F.N.)

*Per Capita* consumption of cloth—11.

—of cotton piecegoods, App. I, Value, Table 10.

Percentage figures of imports of cloth, 36, of U. K., Japan and China, 24.

Piecegoods—consumption of India, Table 10.

—Exports, Value of, Table 10.

—production by mills, Table 10.

—imports of 11, quantity, Table 8 Value, Table 9.

— „ of principal countries Table 7.

„ from Japan 37

„ from U. K., 37.

„ from other countries Table 8.

Puntambekar, Mr. S. V.—41.

Sericulture Industry—destroyed by the imports of artificial silk yarn, 53(F.N.)

Silk, Artificial—use of 25.

—to be baned 26.

—destroys Indian sericulture industry 53(F.N.)

Sized cloth,—discontinuance urged, 53 (F. N.)

*Swadeshi*—persons pledged to the use of, 14

—movement since 1919, 9.

—encouragement for the use of 53.

Talcherkar, Mr. V. A.—superiority of hand-made cloth, 18.

Ure, Dr.—Muslins have no parallel, 47.

Vakil, Mr. C. N.—Quoted, 6.

War period, 1913 and afterwards, in regard to cotton industry, App. II.

Watts, Sir George, on the safety of weavers 15.

Weavers—(see hand-loom weavers).

William Bolts, quoted 5(F.N.)

Wilson Mr. H. A., quoted 5 (F.N.)

Yarn, Foreign, use of, 2.

—foreign, imports of, Table 4.

— „ percentage shares of U.K., Japan, etc. Table 4, 24.

— „ Percentage of use by hand-loom 23.

— „ boycott by Indian mills 23.

— „ supply of by U.K. and Japan. Table No. 2.

—fine output of, in millions of pounds Table 5.

—hand-spun, estimated production 41.

„ used by hand-loom 10.

„ inferior quality due to bad cotton 18.

„ counts, 18.



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## LIST OF ADVERTISERS.

	PAGE.
1. Indian Insurance Companies ... ..	I
2. Hindusthan Co-operative Insurance Society, Ltd. ...	II
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5. Hukumchand Insurance Co., Ltd. ... ..	V
6. The Vulcan Insurance Co., Ltd. ... ..	VI
7. The Indian Merchantile Insurance Co., Ltd. ...	VII
8. The Universal Fire & General Insurance Co., Ltd. ...	VIII
9. National Insurance Co., Ltd. ... ..	IX
10. The Industrial & Prudential Assurance Co., Ltd. ...	X
11. The Asian Insurance Co., Ltd. ... ..	X
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13. The Scindia Steam Navigation Co., Ltd. ...	XII
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16. Central Bank of India, Ltd. ... ..	XV
17. Bank of Baroda, Ltd. ... ..	XVI
18. Mohini Mills, Ltd. ... ..	XVII
19. Kesoram Cotton Mills, Ltd. ... ..	XVIII
20. General Assurance Society, Ltd. ... ..	XVIII
21. Empire of India Life Assurance Co., Ltd. ...	XIX
22. Chunilal Mehta & Co. ... ..	XX
23. The Himalaya Assurance Co., Ltd. ... ..	XXI

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# INDIAN COTTON TEXTILE INDUSTRY

*Its Past, Present and Future.*

1930.

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## Extracts from the Reviews.

1. "*Economist*" (dated 1st March 1930).—A monograph on the history of the Indian Cotton Industry, which is a useful aid to the understanding of the international cotton problems of to-day.

2. "*Statist*" (dated the 29th March 1930).—An able review of the history and present position of the cotton industry in India.

3. "*Indian Finance*".—With the wealth of statistics and other information which are none too easily available in India, Mr. Gandhi's monograph has an irrefutable claim on the attention of every student of economics, interested or disinterested.

4. "*Bombay Chronicle*".—A very well got up and excellently written monograph on one of the most important national industries of India.

5. "*Times of India*".—This book is a commendable thesis and an excellent basis from which to prosecute his further investigations.

6. "*Capital*".—The book, on the whole, provides a readable account of the early history and the present position of the cotton industry. The treatment is clear and brief.

7. "*The Labour Gazette*".—The chief merit of Mr. Gandhi's book consists in the amount of research he has done into the history of the Indian Cotton Textile Industry, from ancient times up to modern days.

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To be had of:—

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